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Pan Am sells hotel chain for \$500m

NEW YORK, Aug. 21 (Agencies) — Financially-troubled Pan American Worldways Friday announced the sale of its international hotel chain to the British Grand Metropolitan for \$500 million. The decision was made Thursday night by Pan Am board, a spokesman said. The international chain, comprises 83 hotels in 48 countries. The sale is to be concluded by Sept. 30.

Pan Am lost \$218 million in the first half of 1981. But it said earlier this week it was willing to sell the chain, Intercontinental Hotels Corporation (IHC), to keep the airline solvent. The airline said the hotels would run as a separate unit within the Grand Metropolitan Group. They would keep their identity, trade name and present management. Paul Sheeline would remain chairman and chief executive officer of IHC, the airline said.

The hotels, in most of the world's major cities, are regarded as a prize acquisition for Grand Metropolitan. The British group is expanding its already considerable hotel holdings in Europe and the Middle East. Collaboration between Pan Am and Intercontinental Hotels will continue. In London, it was learned that the deal still needs the approval of the British and U.S. governments, especially because of possible anti-trust violations. The new conglomerate would become the ninth largest hotel group in the world, based on the number of rooms.

Pan Am's air transport operation has recently faced serious financial difficulties. Union leaders this week tentatively agreed to cut wages by 10 percent to help the company out of its plight. The concessions were made on condition that the airline succeed in getting a line of credit from banks to get through the current difficulties.

The U.S.-based Sheraton and Holiday Inn chains, as well as Arab investors, were also included in the Intercontinental Group.

The buyers Grand Metropolitan, headed by financier Sir Maxwell Joseph, already has hotels, mostly in Europe and the Middle East, including the prestigious Lotti of Paris, Carlton of Cannes, and Mayfair of London as well as numerous others of much more modest standing.

It also has large holdings in the food and beverage industries. Sources in London also said that Pan Am owes its subsidiary \$40 million. Repayment of this sum thus will in effect bring the purchase price to \$460 million.



MUSCLES: The United States shot down two Libyan jets during the Sixth Fleet maneuvers off Libya coast Wednesday. The picture on the left, released in Tripoli, shows the two Libyan pilots (face encircled) who had survived the air clash with U.S. fighters. The picture on the right shows President Ronald Reagan shaking hands with the pilots of the aircraft carrier USS Constellation off the coast of California as he visited the ship and its crew Thursday.

Reagan admits asking navy to challenge Libya

COSTA MESA, California, Aug. 21 (AP) — U.S. President Ronald Reagan said he personally ordered the navy to challenge Libya's territorial claim and conduct maneuvers in disputed waters to show "America has the muscle to back up its words."

Libyan leader Muammar Qaddafi drew the line and the United States crossed it, knowing in advance that hostilities might result, Reagan said Thursday after a three-hour tour aboard the aircraft carrier USS Constellation.

Nevertheless, the president insisted that he was not trying to provoke an incident and that the downing of two Libyan jets early Wednesday was a defensive action. "Our men are going to shoot back," he declared. Reagan said he decided some time ago to assert the United States claim that the vast Gulf of Sidra was international waters, not Libyan territory as claimed by Qaddafi.

"I approved the idea, Reagan said, adding that he revoked a previous standing order to the navy to "not challenge" Qaddafi's claim. "Now, in the last couple of years, for whatever reason I don't know, our navy has been ordered to hold its maneuvers but to stay on the other side of that line and not challenge that," Reagan said. Earlier, after watching a dazzling display of firepower from the decks of the USS Constellation, Reagan told cheering sailors: "Let friend and foe alike know that America has the muscle to back up its words, and ships like this and men like you are that muscle." Reagan, who spent Thursday aboard the aircraft carrier off the California coast, watched a dramatic airpower show by F-14 jets, the same type involved in the Libyan incident.

Meanwhile, the official Libyan news agency Jana, monitored in Paris, said Friday, Libya refused to accept a formal diplomatic protest by the United States following the air clash between U.S. and Libyan fighters.

Jana said the American protest note, sent through the Belgian embassy in Tripoli, was refused by Libya's Foreign Relations Ministry which described it as "unacceptable." The United States had violated Libyan air space and territorial waters and there was "no basis for discussion," Jana said. The two Libyan fighters shot down by American warplanes assigned to the U.S. Sixth Fleet in the Mediterranean were on a reconnaissance mission, Jana added.

On the other hand, a Belgian-Foreign Ministry spokesman said in Brussels Friday the United States has rejected a Libyan protest note over the incident and has asked Belgium's ambassador in Tripoli to return it. In its protest note, Libya condemned the incident as an act of international terrorism based on the law of the jungle. Belgium is handling U.S. affairs in Libya following the closure of the U.S. Embassy there last year.

In Helsinki, the World Peace Council (WPC) issued a statement condemning the United States over the incident. The WPC, a body recognized by the United Nations, said

Downing two planes

that the U.S. Central Intelligence Agency (CIA) planned to assassinate Col. Qaddafi.

"The U.S. has been preparing for some time already a full-scale aggression against the Libyan Arab Jamahiriya," it said.

The Soviet government paper *Izvestia* said

President Ronald Reagan laughed off questions about why he had not been awakened and told of the dogfight for six hours.

"If our planes were shot down, they'd wake me," he said. "If other fellow is shot down, why wake me?"

American's real earning drops

WASHINGTON, Aug. 21 (AFP) — The typical American's real before-tax earnings dropped by an average of about five percent in 1980 — its greatest decline since 1947, according to the U.S. Census Bureau.

The bureau said that average unadjusted gross income grew by 7.3 percent a year in 1980, but when adjustments were made for inflation, buying power declined by 5.5 percent. During the recessionary years of 1974 and 1975, average real income declined by 2.6 percent and four percent respectively.

Also the number of Americans living below the officially-defined poverty level declined from 11.3 percent of the population in 1979. This represents 6.2 million families, totaling 29.3 million individuals.

The poverty level this year was put at \$8,414 in annual revenue for a family of four persons in the non-agricultural sector. The average gross family income for whites was \$21,900, \$14,720 for Hispanics and \$12,670 for blacks.

the scuffle was the result of U.S. "provocation" designed to "frighten Arab states." Libya "has long been the target of the American administration's foreign policy," *Izvestia* added.

Bulgaria and Czechoslovakia Friday described the shooting down of the Libyan planes as a piratical and provocative act by the United States. "The piratical act which crowned the American maneuvers in the Mediterranean is not, a coincidence," the Bulgarian Communist Party newspaper *Revoluchionno Delo* said. "The incident is the latest proof of the adventurous and aggressive policy of the White House which counts on overt international terrorism, on brute military force with a view to brighten peoples and countries which have liquidated imperialism."

East Germany's Communist Party Friday accused the United States of a "pirate act" in the downing of the Libyan jets.

Neues Deutschland, the official party newspaper, described the U.S. action as "a further, grave step toward the heating up of tensions." "The international indignation shows that the peoples are not yet ready to accept introduction of a law of the jungle into international relations," the newspaper said.

In Beirut, Palestinian Liberation Organization Chairman Yasser Arafat said that Libyan pilots who clashed with U.S. jets performed a heroic act. Arafat said: "The heroic act by Libyan pilots has forced America, the enemy of peoples and the head of world terrorism, to stop its maneuvers in our territorial waters."

He added: "With all our capabilities and resources, the Palestine revolution is ready to occupy its fighting positions immediately to fulfill its military duties."

In the meantime formal talks opened between Libyan leader Qaddafi and Ethiopian head of state Mengistu Haile Mariam in Addis Ababa.

Pannella to fast against hunger

PARIS, Aug. 21 (AFP) — Marco Pannella, co-president of the independent group in the European parliament, will begin a hunger strike Sept. 2, for an unspecified time period, in support of the campaign against world hunger.

In a declaration made public Friday by "Food and Disarmament International," the leader of the Italian radical party said he wanted "to assure the survival" in 1982 of about one-tenth at least of the people who would otherwise die of starvation.

The 51-year-old Pannella will start his hunger strike the day after the opening of the United Nations conference on the problems of the lesser developed countries. He originally planned to begin Aug. 20, but several pacifist, third-world and political organizations asked that it be postponed.

U.K. to improve palace security

LONDON, Aug. 21 (AFP) — Security measures at Buckingham Palace, the London home of Queen Elizabeth, will be overhauled because a young man managed to get into the palace gardens on Aug. 7, it was learned here.

Scotland Yard reprised the incident late Thursday. It said police transferred the man, age about 28, to a mental hospital after questioning him. According to the London newspaper *The Times*, improvements in palace security were being studied as a direct result.

In June three German tourists spent the night in the palace gardens after scaling the wall. *The Times* recalled. They said they had mistaken the grounds for the nearby Hyde Park.

As OPEC price talks fail Kingdom to trim output by 1m BPD

GENEVA, Aug. 21 (AFP) — Saudi Arabia will cut its oil production by a million barrels a day next month and continue in sell its crude at \$32 a barrel until the end of 1982, Oil Minister Sheikh Ahmed Zaki Yamani said Friday.

As an OPEC meeting ended without an agreement on a unified crude oil price, Sheikh Yamani told a news conference the cut was a goodwill gesture to the 12 other OPEC countries.

Production levels for October would be announced only at the end of that month and would not be notified in advance. During five days of talks, he argued that OPEC had to serve the world community and sought cuts in the higher prices of other members.

When reductions he considered large enough were not forthcoming, Sheikh Yamani refused to budge on the Saudi Arabian price which at \$32 a barrel is OPEC's cheapest. But he said he and colleagues he would trim output from the present near record 10 million barrels per day (BPD) to nine million in September.

Yamani said the reduction would not end the glut and he foresaw that continuing surpluses would bring about price levels which negotiations had not achieved. He expected the world average oil price to drop below \$34 a barrel, from just above that now, as exporters trimmed quotes directly or used discounts to maintain sales.

Sheikh Yamani said he thought Saudi Arabia might keep its own price at \$32 until the end of 1982 and some other producers might cut quotes to that level soon. He said he would review Saudi Arabian output at the end of September, but not announce what was actually produced in October until the end of that month. Asked if it might go up again in October, he said: "Everything is possible."

The OPEC meeting decided to maintain an elastic price structure agreed last December. This set the Saudi Arabian price at \$32 and allowed others to align quotes on a benchmark of \$36 with more added for quality up to a \$41 ceiling.

Sheikh Yamani offered \$34 for a new Saudi Arabian benchmark price although all but Iran were ready to make modest price cuts for a compromise. This morning and when he left the meeting for a short time he actually informed his government there was an accord on \$34. But this was not the case.

Kuwaiti Oil Minister Ali Khalifa Al-Sabah said that in the closing stages nine or 10 countries were ready to go down to \$34. Conference sources said this happened when it finally became clear that nothing would budge the Kingdom from its \$34 offer. But those countries wanted Saudi Arabia to tell them how far they would cut output, which the Kingdom never discusses in OPEC, the sources said.

Countries unwilling to descend to \$34 included Venezuela, Iran and Iraq, the sources added.

Sheikh Ali Khalifa held a news conference that if the talks had continued, or one more day there would have been every chance of an agreement.

Sheikh Yamani said that before coming to Geneva he understood that there was general support for making an agreement at the 34-dollar level. But when he arrived, he found Venezuela's Humberto Calderon Berti refusing to cut price and resistance to the 34-dollar deal strengthened. Sheikh Yamani said of the proposed \$34 deal: "That's history."

The Saudi Arabian minister said the official OPEC price was still \$32 and he believed that some counts could start lowering their prices now — "whether they go back in \$32 or a little above that."

An "ideal price" to eliminate the oil glut would be \$28, Sheikh Yamani said. He blamed the slump in world demand on OPEC's scramble after higher prices, which

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Here is the text of the communique issued Friday in English by the Organization of Petroleum Exporting Countries at the conclusion of its three-day meeting that failed to produce an agreement of a unified oil price:

The oil ministers of the member countries of the Organization of Petroleum Exporting Countries met in Geneva, Switzerland from 19th to 21st August, 1981, in the capacity of a consultative meeting in order to examine the oil market trends and conditions.

H.E. Dr. Subroto, minister of mines and energy of Indonesia and president of the preparatory meeting of the conference, presided over the meeting.

The ministers exchanged views on the price structure of OPEC oil and the required conditions for stability in the oil market. They took note of each delegation's position and decided to carry out the necessary consultations on the subject matter in a spirit of cooperation and solidarity among member countries.

The conference expressed its sincere gratitude to the Federal Government of Switzerland and the Republic and Canton of Geneva for their warm hospitality and the excellent arrangements made for the meeting.

Bid to rescue 428 persons from ship fails

HERAKLION, Greece, Aug. 21 (R) — Heavy seas prevented salvage and tug boats from rescuing 428 passengers and crew Friday from an Egyptian passenger ship that ran aground on the coast of Crete Thursday night, port authorities said. They said efforts were being made to refloat the 4,500-ton *Syria* from rocks at Cape Kato Sidero, off the north-east of the island. *Syria*, which had been sailing from Piraeus in Alexandria, sustained cracks in her prow but nobody was injured.

Officials in Athens said meanwhile that tugs ran a Greek tanker aground on a sandy beach west of Piraeus to prevent an explosion after fire broke out in her holds. A spokesman for the ministry of Merchant Marine said firemen were fighting the blaze on the 40,417-ton *Fotini*.

The fire began while the tanker was in a nearby shipyard, and officials were investigating the possibility of sabotage, he said.

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Doubts crop up on Reagan's budget deficits

WASHINGTON, Aug. 21 (R) — A week after President Reagan authorized huge cuts of \$131 billion in government spending, experts in Congress and his own administration are warning that he will be unable to keep his election pledge to balance the budget by 1984.

Analysts at the Congressional Budget Office say the 1982 deficit will be at least \$60 billion, about \$20 billion over the administration forecast. The deficit in 1984 could be as high as \$80 billion, they say. The problem is largely the result of high interest rates, which push up the spending deficit by adding to the cost of government borrowing. They also crimp economic activity, reducing tax revenues and adding to the deficit.

The administration had hoped its economic prescription of budget and tax cuts and tight monetary policies would cool inflation and produce a rapid drop in interest rates. But financial markets have not responded to the slowdown in price rises and interest rates remain at near-record levels.

Reagan met top advisers earlier this week at his holiday retreat in California to review the budget situation. The president later told reporters the 1982 budget deficit could be held to the original estimate of \$42.5 billion — and he still intended to balance the budget

in 1984.

Congressional analysts and administration sources say this cannot be accomplished unless he agrees to trim his promised seven percent annual increases in defense spending. "To say the 1982 deficit is not going to be bigger is absurd," one administration source observed.

While the president and Budget Director David Stockman might not yet have abandoned the notion of a balanced budget, the goal is "all but impossible with the current defense spending commitment," the source said. The president has talked so far at reducing arms spending, leaving his budget cutters little choice but to focus their efforts on government social programs already pared in the first round of budget reductions.

The administration's long-term budget strategy envisages some \$73 billion of additional budget cuts over the next two years to meet the 1984 target of a balanced budget. If the estimates of congressional budget experts are correct, more than twice that amount will be necessary. "As difficult as it was to get the first round of budget cuts, it will look easy by comparison to what's ahead of us," one expert said.

The budget committee of the House of Representatives, controlled by opposition



Democrats, has produced its own forecast of what will happen if planned spending cuts are not approved and the economy does not perform as well as the administration has projected. According to this forecast, the deficit in 1984 could reach \$124 billion.

While no one in the administration will admit that there could be a deficit of this magnitude, budget experts are clearly concerned about how to offset mounting defense costs and the president's tax cuts. "The battle here is over which campaign promise we want to keep," an administration source said.

Some political observers, including members of Reagan's own Republican Party, speculate that White House advisers may try to ease the president from this dilemma by focusing attention on the slowdown in inflation. At the same time, they would gradually suggest that deficits were not necessarily harmful to the economy.

But other observers doubt whether such an abrupt switch in philosophy would win acceptance from the public or even the president himself. "Reagan is the one who believed most strongly that a balanced budget was possible. This deficit is a terrible thing for him to swallow," one observer in Congress said.

"If they are going to re-educate the public about deficits, they are going to have to re-educate the president first."

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Aggression against Arabs, Islam

OIC urges West to curb Israel

JEDDAH, Aug. 21 (SPA) — The Organization of the Islamic Conference urged the international community and Western countries, particularly the United States, to shoulder their responsibilities in regard to Israel's repeated aggressions and attempts to efface everything which features Arabism and Islam not only in Jerusalem and occupied Palestine, but beyond these limits.

In a statement issued Thursday night on the occasion of 18th anniversary of the Zionist entity's abominated deed, the hurling of the Aqsa Mosque, which corresponds to Fri-

day, the OIC called on these countries to evaluate the situation seriously and not to abide by anything but righteousness and the rules which balance international relations and preserve humanity from crisis and destruction.

The statement highlighted Crown Prince Fahd's eight-point plan for a Middle East settlement saying that it has opened new dimensions toward a just solution to the question. Western countries should take this opportunity if they truly want to relieve the region from dangers threatening it.

"The continuity of the Zionist entity's attitude without determent — Israel's provocations against Arab and Islamic countries by saying that it would attack all which it considers a danger to its security — not only poses the greatest danger to the Middle East region, but to the world peace as well," the statement said.

Israel could not have brought the world peace to the verge of explosion had it not been for certain parties' silence toward Israel's crimes and others which support it to commit these acts, and its deliberate negligence of the principles and laws endorsed by the international community, the statement added.

Israel should be aware that destroying the Palestinian revolution is impossible. The people of Palestine are struggling and fighting for the justice of their cause. They are fighting in the lines of the Palestine Liberation Organization, their sole and legal representative, it said.

Prayer Times

	Makkah	Medina	Riyadh	Dammam	Buraidah	Tabuk
Saturday	4:36	4:34	4:05	3:50	4:14	4:42
Fajr	12:24	12:24	11:56	11:43	12:07	12:37
Dhuhr	3:47	3:53	3:24	3:13	3:38	4:10
Assr	6:47	6:51	6:22	6:11	6:35	7:07
Maghreb	8:17	8:21	7:52	7:41	8:05	8:37
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Phone company claims gains; Sattam to open Islamic cities meeting today

JEDDAH, Aug. 21 — The Saudi Telephone, inching toward the half-million line milestone with some 23,700 lines being added over the two months of June and July, making substantial gains in Riyadh and Jeddah, according to a statement by the company issued recently.

The company has kept up the record performance level during these two months, too, with the working telephone lines passing the 489,000 mark. The great increase in working lines was largely made possible by the success of Saudi Telephone's training programs which are increasing the efficiency of the entire telephone network. Over the first three months of the fiscal year, over 980 managers received advanced training. These managers have received a cumulative total of 79,000 hours of instruction — a career bonus that is attracting many Saudi Arabians to the high-technology world of telecommunications.

The increase in training and capacity brought about a remarkable improvement in the quality of the entire network. In July, the percentage of lines operating without fault per day stood at 99.8 percent — the best result ever achieved for this indicator. However, when faults did appear, the maintenance department cleared them rapidly. Over 78 percent of all troubles were cleared within eight hours of being reported and 99.4 percent were cleared within seven working days.

The completely automatic procedure for locating faults in telephone lines, that the company has been using, has given Saudi Telephone a big boost. It locates faults in telephone lines that the subscribers do not even know exist. The process makes use of massive computers, which quickly check thousands of lines and register the faulty numbers. These are then repaired by special dispatch crews.

Subscribers who used the rapidly expanding network, received the best switching service recorded. A record-breaking 99.7 percent of all subscribers obtained dial tone in less than three seconds after picking up the receiver.

Other Saudi telephone milestones during this period included: The distribution of 99.4 percent of all telephones invoices without error; the addition of nine new coin telephones, bringing the Kingdom-wide total to 1,865; and the decreases in cable damages by excavating contractors to 0.46 damages per 1,000 working lines — the best result ever for this connection.

RIYADH, Aug. 21 (SPA) — Deputy Riyadh Governor Prince Sattam will open Saturday the third session meetings of the Islamic Towns Organizations' administrative board. The meeting will be held at King Faisal conferences hall here.

During its three-day meeting, the board will discuss a proposal of the Muslim World League recommending every Islamic capital to print and distribute one million copies of the Holy Quran. Relations between the ITO and the Organization of the Islamic Conference's International Islamic Culture Committee and Islamic History, Arts and Culture Research Center are to be reviewed at the meeting.

Delegates will also discuss a report by the ITO secretary general on the organization's activities and fixing the date and place for the second ITO conference to be held next year.

Majed chairs Taif health committee

JEDDAH, Aug. 21 — Under the instructions of Crown Prince Fahd to improve health services in Taif, a committee, chaired by Makkah Governor Prince Majed, has been formed, *Okaz* reported Friday.

The committee includes Health Minister Dr. Hussein Al-Jazairi and Finance and National Economy Minister Muhammad Aba Al-Khail. It will work out plans to improve medical services to the public. In another development, Jizan Health Affairs Director Dr. Abdul Rahim Aqil called on the public to cooperate with health authorities for improving services. Speaking at a seminar held by the new central hospital of Jizan, Aqil hailed the government's efforts to improve health services.

During the seminar which opened Wednesday, several lectures on various diseases were delivered. Guests also were shown the hospital's advanced equipment and departments.

126,408 fall victims to accidents

JEDDAH, Aug. 21 — During the last 10 years, 17,198 people were killed and some 109,210 injured in traffic accidents in the Kingdom, according to the General Directorate of Traffic. A statistical book issued by the directorate put the figure of traffic accidents during the decade at 131,570.

The book also contains statistics on the number of cars which entered the Kingdom during that period. It said that 2,069,479 car registration documents were issued in the 10 years.

From page one

raised the average 170 percent since 1978. Earlier, after the meeting has failed, Iraqi Oil Minister told reporters "nothing, as it is." He had championed a compromise on a 35-dollar benchmark. But the Kingdom, striving to bring down the world price of oil, stood firm although ministers said there were telephone consultations by OPEC heads of state Thursday night.

Meanwhile, Indonesian oil minister Subroto, the current OPEC president who confirmed that talks had failed, said that a heavy majority had been in favor of accepting a 35-dollar base price. Libya's Oil Minister Abdussalam Muhammad Zagar said the outcome showed "OPEC is facing a crisis." Zagar said Libya planned a further cutback in production, reportedly already less than half of its peak output, in order to maintain prices.

Mansour Said Oteiba, the oil minister of the United Arab Emirates, said Saudi Arabia had "done very well by offering a compromise of \$34." "Since that was not possible it is better to stay where we are until the December meeting," he told reporters. "It is too much to ask for a price increase on a glut market."

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Chambers make study on Lloyds' monopoly

Gulf states seek protection for imports

DAMMAM, Aug. 21 (SPA) — The Federation of Chambers of Commerce, Industry and Agriculture in Arab Gulf States is undertaking extensive contacts with the aim of preventing harm on Gulf imports, according to the federation's Secretary General Friday.

Kazem Abdul Hamid Al-Muhaiddi said that the federation is actively in contact with the international Chamber of Commerce, unions and chambers which are members in the ICC, ministries of commerce in Arab Gulf states, the Arab Insurance Union, and the Arab Shippers' Federation to avoid any harm which can befall imports of Gulf states.

These contacts also aim at urging industrial countries to adjust their maritime transportation rules and the current shipping insurance regulations which neglect importers' rights in Gulf states and the Third World.

Muhaiddi said that the economic department of the federation's general secretariat has recently completed a comprehensive study about Britain's Lloyds Insurance — the largest shipping insurance organization — monopoly of maritime insurance rates. The study disclosed international and Arab reaction to Lloyds' decision to increase insurance rates to Gulf states as a war premium.

The study calls for creating full coordination among Arab insurance organizations and Gulf shipping companies to protect Gulf states' interests by foiling Lloyds' attempts to monopolize the international insurance market.

Lloyds reversed its decision regarding the premium admitting that its estimates and analysis of the international developments were exaggerated, Muhaiddi said. He added that this was a clear confession that the organization's decision was not based on realistic reasons. The reverse of the decision also is credited to the collective Arab and Gulf efforts in confronting it, he said.

Muhaiddi said the study proposes giving Arab insurance groups and reinsurance companies more support. It also calls for establishing additional insurance groups and recommends that Gulf governments support the Arab fund for insurance of war hazards and provide guarantee for the fund's responsibilities. By this, Gulf governments will be assisting consumers in the region and the Arab shipping market. The governments shall cover the difference in prices, he said.

The study extends to investments by rallying support for the Arab Investment Guarantee Organization and spreading the idea of insuring Arab imports and development projects, fully or partly, with Arab insurance companies. It also urges establishment of

direct contact between Arab insurance and reinsurance companies.

More effective cooperation in covering Arab maritime, land and air fleets and drawing a collective Arab insurance strategy also is among the study's recommendations. Such a strategy should take into consideration the positive aspects and benefits of a joint Arab economic cooperation, the study says.

Muhaiddi said the study also calls for coordinating the present Arab insurance legislations, building insurance institutes to train Arab personnel, organizing seminars and training courses, encouraging writing, translation and scientific research in insurance and reinsurance, and increasing cooperation in employing electronic equipment, experts and technicians and exchanging statistics related to the Arab insurance market.

The Gulf chambers federation had recently issued a study on marine piracy. It proposed ways for eliminating sea piracy on the international, Arab and Gulf levels. The federation also has published a guide on investing Arab capital on Gulf projects and the rules governing investment in the region.

**SR30b invested
Joint ventures number 480**

JEDDAH, Aug. 21 — Joint Saudi Arabian-foreign funded projects in the Kingdom totaled 478 by the end of 1980, including those which had not yet come into operation, according to Industry and Electricity Ministry officials.

Deputy Minister for Industry and Head of the Foreign Investment Committee Fuad Abdul Salam Al-Farsi told *Saudi Business* this week that SR30 billion was invested in those projects and the average foreign participation equaled 42 percent.

Of the 478 joint venture projects, 268 have come into production. Their capital totaled SR3.9 billion with the foreign component amounting to 35 percent. Another 203 licenses were granted for building factories with an overall investment of SR7.3 billion and 34 percent foreign participation.

With an SR100 joint venture plant in existence, the Saudi Arabian Basic Industries Corporation (SABIC) has been granted six licenses for industrial projects. Investment in these projects amounts SR18.6 billion, of which 47 percent is foreign participation.

The United States rates first among countries participating in the Kingdom's industrial schemes with a 17.5 percent share in all joint ventures. Foremost among projects in which

the United States has taken part are an ethylene project, a low density polyethylene plant and an ethylene, ethanol and stiarine plant with SABIC. The U.S. also is the foreign partner in a lube-oil plant with Petromin.

These are a part from 63 other partnership projects with the U.S. in which Saudi Arabian nationals have invested SR8.3 billion.

In reply to a question on whether it was necessary to change the criteria and targets of foreign investment in the Kingdom by changing the law of foreign investment itself so as to select investors who have technology to transfer, Farsi said he saw no justification for it. The present law cover constituted any hindrance for attracting adequate foreign partners who already value Saudi Arabia's security stability.

The ministry will, in future, provide more facilities to Saudi Arabian industrialists, Farsi said. It will encourage private sector companies to study and benefit from investment opportunities in petrochemical support industries. Also, industrial studies will be undertaken to identify industrial ventures which could replace imports and to determine strategic items to be manufactured in the fields of mining resources, construction, agriculture, services and others, he said.

**GCC ministers
to meet in Taif**

TAIF, Aug. 21 (SPA) — The Gulf Cooperation Council foreign ministers' conference will be held in Taif, Aug. 31. Deputy Foreign Minister Abdul Aziz Al-Thunayan said Friday. The meeting will tackle all aspects and fields of interest to the region's states, he said.

The Foreign Ministry is currently preparing for the meeting to which great importance is attached by GCC members, Thunayan added.

**Car accident kills
mother, children**

MONTREUX, Aug. 21 (AFP) — Three members of a Saudi Arabian family vacationing in Switzerland were killed Thursday in an automobile accident near this resort town at the head of a lake off Geneva, Police said.

Mrs. Khulud Al-Fawzan, 26, who was pregnant, died along with her six-year-old son Amer and her three-year-old daughter Munirah. Mrs. Zakia Al-Uoelisi, another passenger in the car, suffered a fractured skull and other injuries.

**Fahd ibn Sultan
holds talks on
sports activities**

TUNIS, Aug. 21 (SPA) — Prince Fahd ibn Sultan the Saudi Arabian olympic committee chairman, met here Friday with Salahuddin Bali, national defense minister and secretary of the Tunisian olympic committee.

They discussed promoting relations between the two committees by increasing meetings between their officials. Talks also covered coordinating activities of Arab olympic committees and intensifying contacts among them to unify Arab countries' stands and decisions.

Prince Fahd ibn Sultan, who is also chairman of the Saudi Arabian amateur track and field committee, is visiting Tunisia on the occasion of the Third Arab Track and Field Championship to be held here from Aug. 21 to 25.

Comment

By Yahya Ali Al-Yami
Okaz

Government attention given to farmers and agriculture by way of loans and machinery are reflected in the produce of various types of fruits and vegetables and the utilization of vast farm land across the Kingdom. The state has also provided agricultural instructors and supervisors for the best means of farming.

A motorist driving on Taif's southern highway meets large groups of trucks and pickups displaying various types of fruits and vegetables which are the produce of their farms. They always occupy a prominent part of the road so that drivers could see them and buy and freshly picked fruits if they wish.

More beautiful is the sight of children who sell certain fruits in plates at low prices. Though their being on the side of the road can be dangerous, they feel that they should not deny motorists the pleasure of tasting their product.

Citizens should visit these areas to enjoy the mild climate, glorious scenery and greenery to spend joyous time among the trees and farms. I feel, everyone should take his family, or at least friends, the green mountains starting from Taif to Abha, the bride of the south.

The mountainous road linking the Western and Southern regions passes through many villages and towns giving an opportunity of sightseeing in that part of our country. A traveler on this road would not be forsaken by the greenery and the children offering tasty fruits on plates.

The traveler will not feel the long distance as the villages are located not far from each other. This is in addition to the tourist areas which bring calm and joy to oneself.

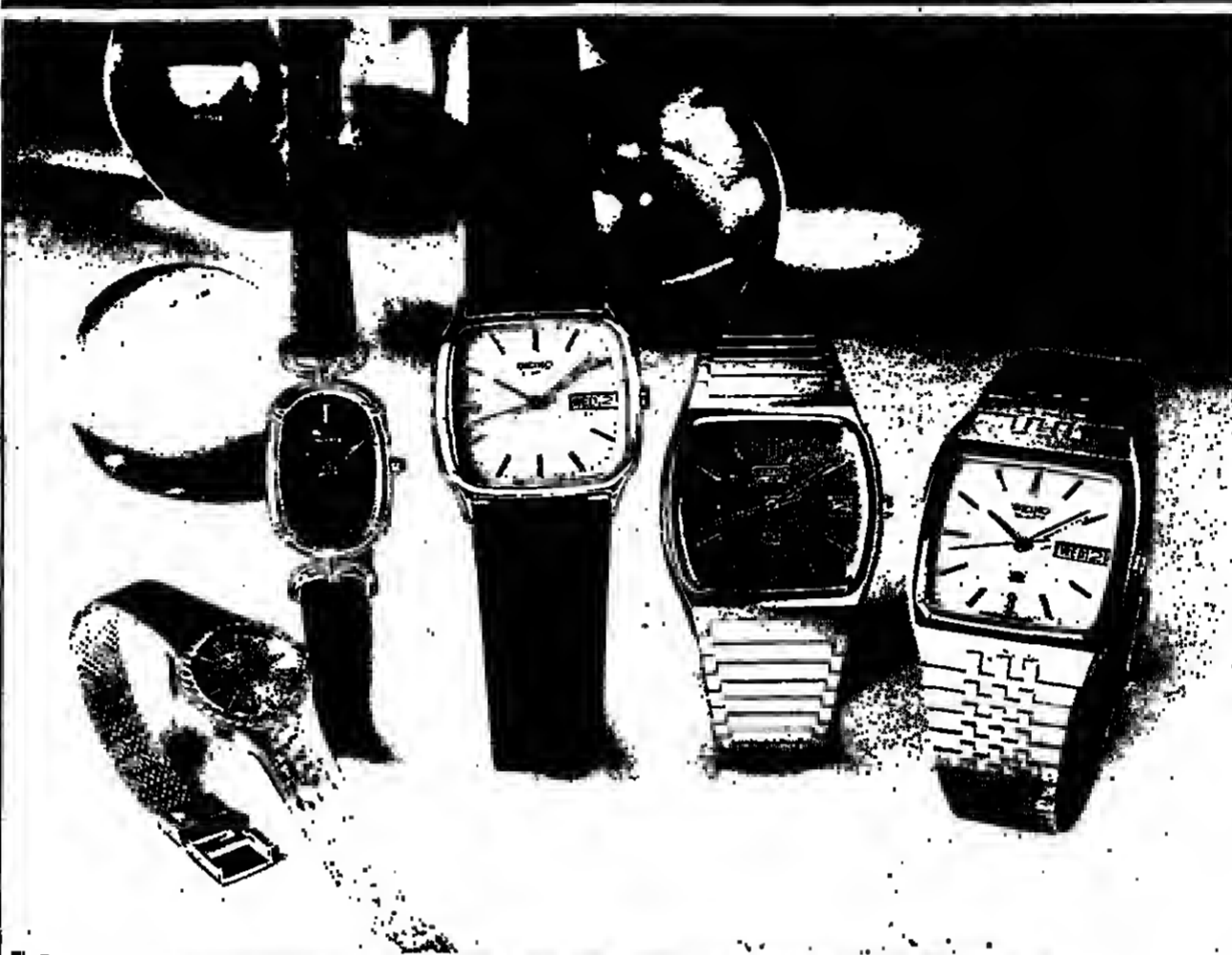
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Israel cabinet split over grave digging

TEL AVIV, Aug. 21 (AFP) — Archeologists here have dug up more than they bargained for — a full-scale political dispute involving the religious parties in Prime Minister Menahem Begin's ruling coalition.

The newly-formed government, which can muster a one-vote majority only in the Knesset (parliament), is now facing its first split with liberal members of Begin's Likud Party opposing the religious parties over the issue of grave digging.

Tension flared up between orthodox Jews and archeologists because of diggings in the old city of Jerusalem, under the south wall of the Temple on the Mount, near the El Aqsa and Roc Mosques. Zealot members of Nature's Karta, "the guardians of the city", charged that the archeologists were profaning the tombs of an old Jewish cemetery.

Orthodox Jews Wednesday obtained a ruling from the country's two main rabbi's forbidding the diggings. But the decision, which was at first endorsed by the religious parties, has prompted a strong reaction from the left-wing opposition backed by 16 of Begin's 48 Likud M.P.s.

The question is to be debated at a special parliamentary meeting next week, and MPs are being recalled from holidays.

This can only increase political tension within the coalition government, and Religious Affairs and Interior Minister Yossef Burg has already had to backtrack an earlier support for the rabbi's decision.

Former Deputy Premier Yigal Yadin has termed the rabbi's decision "revolting, intolerable and incredible", and he threatened to take the matter to the supreme court.

For his part, Jerusalem Mayor Teddy Kollek said the city had ignored a ban by the United Nations Educational, Scientific and Cultural Organization (UNESCO) on the diggings, and would also ignore the ban from "Jewish religious obscurantism".

On the site of the diggings, some 20 archeologists, mostly American, were meanwhile taking photographs and cleaning exposed stones, but they had stopped digging. Some 20 policemen were on hand, along with a group of zealots dressed in traditional black cloth jackets keeping a sharp eye on the archeologists.

Turkes' trial adjourned to Tuesday

ANKARA, Aug. 21 (R) — The trial of Turkey's former Deputy Premier Alpaslan Turkes on charges of trying to stage a right-wing coup has been adjourned after doctors ruled he should rest because of a heart ailment, court sources said Friday.

They said the trial of Turkes and more than 550 supporters would resume next Tuesday. The prosecutor is demanding death penalty for 220 defendants, including Turkes, an ex-colonel who, the indictment alleges, tried to seize power through a coup. Turkes was treated for a heart complaint on the eve of the trial. Doctors then said he need rest after attending the first session and he was allowed five days to recover.

The sources also said the defendants have been charged for a dramatic demonstration at the beginning of the trial when they sang the national anthem as Turkes was led in.

The entire court, following Turkish practice, also stood up and many officials and journalists felt obliged to join in the anthem. The National Movement Party attracted much of its support from fanatical nationalists.

Iraq seeks flow of arms, Mirages from France

PARIS, Aug. 21 (R) — Iraq has asked France's socialist government to continue the flow of arms supplies begun under former President Valery Giscard d'Estaing, French officials said.

The shopping list which Iraqi Deputy Prime Minister Tareq Aziz gave to French leaders included the Mirage 2000 combat aircraft, so far not sold abroad, they said. Iraq has been at war with Iran for nearly a year. First signs were that Aziz received a sympathetic hearing. "My visit to Paris has been successful," he told reporters at the end of his two days of talks.

Aziz secured a pledge from President Mitterrand Wednesday that France would help rebuild the nuclear research center destroyed

by Israeli bombing June 7.

He discussed Thursday new arms purchases with Prime Minister Pierre Mauroy and Defense Minister Charles Hernu. Mauroy told reporters: "France wishes to develop its economic, scientific and industrial cooperation with Iraq."

The French prime minister added: "We have had wide-ranging discussions including cooperation in the military field which we shall pursue." Under Giscard's administration, France sold Iraq aircraft, helicopters and other military equipment exceeding \$2 billion. The arms are still being delivered and France is Iraq's largest arms supplier after the Soviet Union.

Death penalty to hijackers in Pakistan

ISLAMABAD, Aug. 21 (AP) — The Pakistan government, fearing renewed terrorist action by the Kabul-based Al-Zulfikar group, Thursday set mandatory punishment of life imprisonment or death for hijacking.

Informed sources said the government was trying to deter a repetition of last March's 13-day hijacking of a Pakistani jetliner by three self-described members of Al-Zulfikar. After the Boeing 720 was flown from Karachi to Kabul, where one hostage was killed, and then on to Damascus, the government agreed to exchange 54 political prisoners for the more than 100 remaining passengers and crew members.

Al-Zulfikar, led by the eldest son of executed Prime Minister Zulfikar Ali Bhutto, has vowed to use violent means including hijacking and sabotage to remove President Zia ul-Haq's government.

The new law said that persons convicted of seizing a plane or aiding or harboring a hijacker faced confiscation of property and fines set by trial judges aside from life terms or execution. One source said the government could use the law to prosecute Al-Zulfikar leader Murtaza Bhutto in absentia.

Bhutto, who has acknowledged that three of his followers carried out the March hijacking and were now in Kabul, could lose the Karachi house where his mother resides and the family ancestral home near Larkana if convicted. He inherited both after his father's 1979 hanging.

Turkmen urges Greek Cypriots to solve crisis

ISTANBUL, Aug. 21 (R) — Turkish Foreign Minister Ilter Turkmen flew to the Turkish sector of Cyprus Thursday for a four-day visit.

Turkmen told reporters his trip was aimed at underlining Turkey's solidarity with the self-proclaimed Turkish federated state of Cyprus. He said Turkey had presented concrete, comprehensive proposals at the recently-resumed talks between the Turkish and Greek Cypriot communities. If the Greek Cypriots adopted the same attitude, the problem could be brought to a peaceful solution, he added.

Cyprus Foreign Minister Nicos Rolandis said in Athens Wednesday the Turkish proposals were no basis for a solution, but the Greeks would continue the dialogue. Cyprus has been divided into its Turkish north and Greek south since Turkey invaded it in 1974 in response to a Greek-Cypriot coup.

'Vehicles need escort'

Russia admits Afghans hold Herat

MOSCOW, Aug. 21 (R) — Anti-government fighters still control parts of Afghanistan's western province of Herat but have lost ground over the last six months, the Soviet government newspaper *Izvestia* said Thursday.

In a dispatch from the area, which borders Iran, the daily said vehicles bringing supplies from Herat town to regular army units in the country were able to travel only with an armed escort. But the fighters had been beaten back in some areas and only one of the province's 12 districts was fully in their hands, it claimed.

In a rare admission of the past success of the anti-government forces, *Izvestia* said they had been almost in control of Herat town six months ago and life there had ground to a halt. It said conditions in most of the province had in the meantime returned to normal, although the fighters were still offering strong resistance in

places. Last week two Soviet dailies reported rebel activity in the east of the country. Western diplomats have said they believe the newspaper was trying to explain to readers why Soviet forces are still needed in Afghanistan.

Meanwhile, a visiting Soviet official claimed Thursday in New Delhi withdrawal of Soviet troops from Afghanistan was possible only if an international agreement could be reached on non-interference in the internal affairs of that country.

Vice-Chairman of Union of Soviet Societies for Friendship with Foreign Countries Gennady Yanaev, quoted by PTI news agency, told press in Madras that if such an agreement could be reached with countries like the United States, Pakistan and China, the Soviet Union might consider a "limited withdrawal" of military strength from Afghanistan.

Iraq tells U.N. of ship seizure by Iran

UNITED NATIONS, Aug. 21 (AP) — Iraqi Foreign Minister Sadoun Hammadi complained in a letter Thursday that Iran had committed a "practical act" by seizing a Danish merchant vessel passing through the Strait of Hormuz.

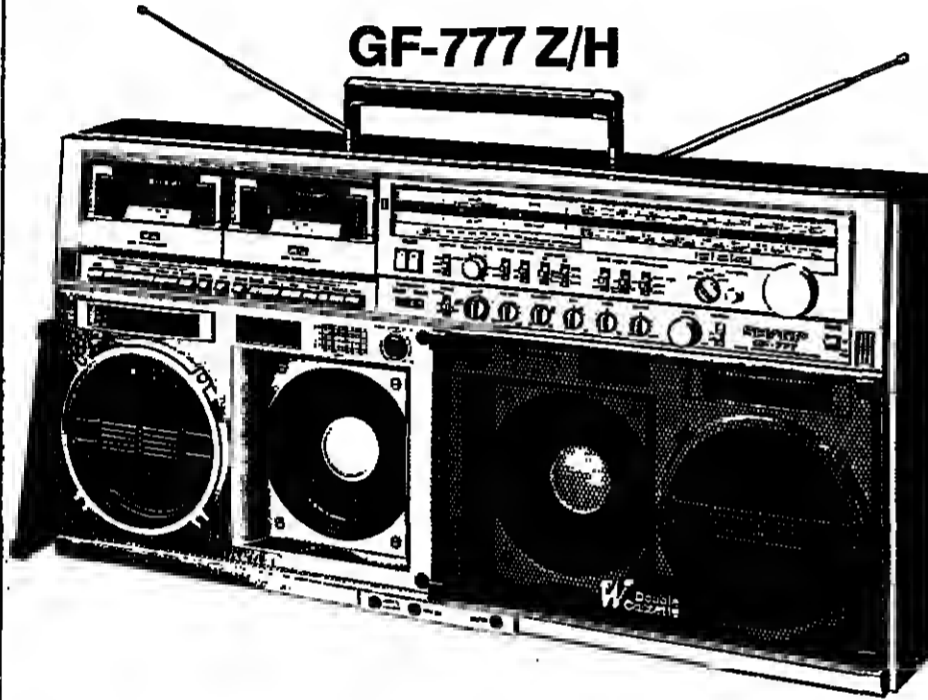
In the letter to U.N. Secretary-General Kurt Waldheim, Hammadi said the Danish ship was carrying unspecified cargo to Kuwait and the United Arab Emirates. He did not identify the ship or give a date on which the incident occurred other than to say it happened "late." The Danish mission to the United Nations said it had no official information about such an incident in the Strait.

"The act of seizure committed by Iran constitutes a flagrant violation of the established

rules of international law of freedom of navigation through Straits used for international navigation, thereby posing a grave danger to international peace and security in general, and the vital interests of the Arab Gulf states in particular," Hammadi wrote.

The Iraqi foreign minister called on the international community "to stand against this act of the Iranian regime, which is notorious for its disregard to the norms of international law and conduct." If Iran repeats such an act, Hammadi said, "counter measures become justified as this is the only way left to defend vital interests." He asked Waldheim to circulate the letter as an official document of the General Assembly and Security Council.

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6 die in day-long battle

Khalq party clashes with police

BEIRUT, Aug. 21 (Agencies) — Iran's revolutionary guards and police fought a day-long gunbattle in Tehran Thursday with urban guerrillas of the opposition Mujahadeen Khalq, observers in the capital said. Six persons were killed and six others injured, the official news agency Pars reported.

The fighting broke out about 7 a.m. Thursday morning and gunfire was heard by residents of the affected area in northwest Tehran until about 5 p.m. local time (1130 GMT). Observers in Tehran, reached by telephone from Beirut, estimated about 50 armed guerrillas fought an equal number of forces loyal to Iranian leader Ayatollah Khomeini.

Official reports of the incident carried by Tehran radio and Pars news agency differed from accounts from observers in the capital city. Pars reported that the clash took place in the Shahrara district about eight kms west of Tehran after revolutionary guardsmen backed by armed revolutionary committee members raided a Mujahadeen hideout about 7 a.m. Pars said that two members of the leftist opposition group were arrested after an "armed confrontation" and that the arrest led to a fierce clash in which Khomeini forces were "forced to use light arms." It said the clash ended at 1.30 p.m. with three

revolutionary guardsmen and three Mujahadeen Khalq guerrillas dead and six other persons wounded. Tehran radio described the hideouts "one of the main command and coordinating" centers of the underground group.

A revolutionary committee spokesman, reached by telephone from the Associated Press office in Beirut early Friday said, "It's all over." He said the fighting lasted until 1.30 p.m. and was centered in west Tehran "on up" toward Zagros Mountains north of the city. Residents of Tehran also reported that gunfire had ended by nightfall and there was no indication of further fighting.

Unconfirmed reports circulated in the capital, according to sources reached by telephone, that the fighting Thursday was the continuation that erupted when Mujahadeen Khalq guerrillas attempted to storm the Evin Prison located in north Tehran Wednesday night. Residents said that gunfire could be heard throughout much of the nighttime hours Wednesday and appeared to be coming from the direction of the prison.

Evin Prison, once used by the late Shah Reza Pahlavi to imprison his political opponents, has been the scene of numerous executions of anti-Khomeini dissidents. Exiled Mujahadeen Khalq leader Massoud Rajavi recently estimated 7,000 members of the guerrilla group had been arrested since Bani-Sadr's ouster and about 500 had been shot by firing squads.

One indication of the seriousness of the fighting was the closure of the four-lane "parkway" street between Gisha Street next to Tehran University, and an area near Evin Prison by revolutionary guards most of the day, witnesses said. "It's the worst fighting" since Bani-Sadr's ouster, said one observer, who declined to be identified.

According to Pars account, the clash lasted only four hours but the agency said the guardsmen raided the hideout at 7 a.m. and the fighting stopped at 1:30 p.m. Pars said that G3 light machineguns, Colt revolvers and hand grenades were discovered in the house that was used as hideout.

The agency quoted an unidentified security official as telling Pars that "most of the assassinations which took place in Tehran" had been planned in the hideout. Tehran radio, which said only three persons were killed in the gunbattle, reported 16 persons arrested and said the fighting lasted seven hours.

The Mujahadeen Khalq, mounted a campaign of bombings and assassinations against prominent figures in Khomeini's clergy-led government after Bani-Sadr's impeachment. Rajavi, living in exile near Paris, has predicted the Khomeini regime would crumble in a matter of months.

In Paris, the Mitterrand government Thursday granted asylum to the Iranian hijackers of the Iran navy's missile boat *Tahbaria*.

BRIEFS

BEIRUT, (AFP) — Three persons were killed and some 30 wounded in oew shelling late Thursday in areas near the demarcation line dividing the city into sectors, first reports said.

DACCA, (AFP) — The United States will provide Bangladesh with \$53.1 million of development grants under three agreements signed here Thursday.

TEHRAN, (AFP) — Iran promised to give "full military support" to the Palestine Liberation Organization (PLO) after fighting with Iraq had ceased, official Radio Tehran said Friday.

SALONICA, (AFP) — Six Albanian nationals Thursday crossed into northern Greece and asked for political asylum, police said here. Their request has been submitted to the foreign ministry.

TELAVIV, (AP) — A 19-year-old Arab youth was killed Thursday by an explosion in

the west bank town of Nablus, Israel radio said.

CAIRO, (AFP) — Egyptian Foreign Minister Kamal Hassan Ali will leave Sept. 1 for an Asian trip — the first visit to that region by an Egyptian foreign minister in 10 years. *The Al Akhbar* newspaper reported Friday. The 20-day tour will take him to China, Japan, India, North Korea, Thailand and Singapore.

OTISVILLE, New York, (AP) — The 56 Iranians being held in a federal prison here have resumed eating after reaching an agreement with U.S. immigration officials that could free them Friday, officials said Thursday. Agreement was reached late Wednesday afternoon providing for release of those with student or legal resident status and for freeing the rest on \$1,000 bail each. Wardeo Michael Quinlan said.



COMMANDOS QUESTIONED: Armed police guard the entrance of the law enforcement training center on the eastern edge of the French capital where French authorities were questioning the anti-Khomeini commandos who hijacked the Iranian gunboat.

U.N. raps Israeli canal plan

NAIROBI, Aug. 21 (AP) — The United Nations conference on new and renewable sources of energy voted Friday to condemn Israel's planned hydroelectric project linking the Mediterranean and Dead Seas because it passes through occupied Palestinian territory.

The resolution condemning Israel, introduced by Iraq and Pakistan, was approved by a vote of 63 to 1, with 33 abstentions. The United States abstained. Jordan was absent and Israel was the only country opposing the resolution.

The resolution called on Israel to halt construction of the canal, saying it constitutes an illegal act infringing on the sovereign rights of the Palestinian people.

Earthquake hits Kerman area

BEIRUT, Aug. 21 (AP) — An earthquake shook the area south of Kerman in southeastern Iran Thursday night, Iran's Pars news agency reported.

The Kerman area has been hit twice by killer earthquakes this summer, but according to Pars the latest quake was of lesser magnitude than the first two which left a total of at least 2,300 persons dead and 2,900 injured.

Be ready to shed blood, Assad tells Arab youth

DAMASCUS, Aug. 21 (AP) — Syrian President Hafez Assad called on the Arab youth Thursday to "keep mobilizing and be ready to shed blood to liberate the occupied territories and recapture the usurped rights."

Assad also criticized the United States for its support to Israel and for its "hostile stand toward the just Arab cause." Assad was addressing the inauguration ceremony of the fifth Arab youth festival which opened here. He called on the participants "to keep struggling for Arab unity."

The festival is a bi-annual event which lasts a week. Fourteen Arab countries sent delegations to this year's festival, which is attended by Arab League Secretary General Ghadli Khibi.

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Israel silent on arms sales to Iran

TEL AVIV, Aug. 21 (Agencies) — The Israeli government declined to comment Friday on a claim Thursday by exiled Iranian President Abolhassan Bani-Sadr that Iraq had purchased arms from Israel.

Interviewed Friday on Israeli radio, Prime Minister Menahem Begin's press officer Uri Porat said tersely that Israel "is out in the habit of commenting on its arms sales." The affair was front-page news in the Israeli press.

In an interview with the American televi-

sion chain ABC Bani-Sadr said that he had told Iran's fundamentalist rulers that rather than buy arms from Israel, "why not make peace with the Iraqis, it would be much better." The president, who fled Iran at the end of July after being sacked for "political incompetence", also called for the rapid overthrow of the regime of his former mentor Ayatollah Khomeini. "We must succeed before the death of Khomeini because after his death it will be chaos, a generalized civil war," Bani-Sadr warned.



Read this week in SAUDI BUSINESS

COVER: Swimming pools, a common feature in some of the houses in the Western world, has become a booming business in the Kingdom. *Habib Rahaman* on page 20 traces the history and development that is taking place.

JOINT VENTURES: The Kingdom of Saudi Arabia is a gold mine for foreign investment which accounted for 42 per cent. Faud Abdul Salam Al-Faresi, head of the foreign investment committee at the Ministry of Industry and Electricity, speaks to *Saudi Business* and reviews the policy.

ANNUAL REPORT: Saudi, the flag carrier of Saudi Arabia, is involved deeply in the development programs of the Kingdom. *Ahmad Kamal Khuroo* narrates in his story its role and contribution through the 1980 annual report released this month.

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Syria's hope for economic strength

By Jeremy Clift

BEIRUT — Syria says it is planning for its economy to grow 8.5 percent a year for the next five years, hoping to boost its strength in the continuing confrontation with Israel. The Syrian parliament approved the country's 1981-85 plan last weekend. Prime Minister Abdul-Rauf Al-Kasbi, brought in by President Hafez Assad in January 1980 to head a government of technocrats assigned to improve administration and root out corruption, said the economy must underpin the country's defense effort.

Since 1979 when the Camp David peace accords removed Egypt from the military confrontation with Israel, Damascus publicly set itself the objective of achieving a one-for-one strategic balance between Syria and the Zionist state.

But Syria's large military spending has placed a major burden on the country's stretched economy. In the budget for 1981, announced in January, defense accounts for more than 30 percent of the 30.5 billion Syrian pound (\$7.8 billion) overall expenditure.

Loans from Arab countries are now running at an estimated \$1.4 billion a year, according to diplomatic sources in Damascus. But the big budget has forced the government to make savings in other areas and it recently introduced a series of measures designed to curb foreign imports and bolster the Syrian pound.

Announcing figures for the current five year plan, Dr. Kasbi said the 1976-80 version had achieved an average growth rate of six percent a year — half of what it aimed to secure. He said the aim was to raise the growth national product (GNP) by an annual 8.5 percent, from 88.1 billion pounds (\$22.6 billion) in 1980 to 132.45 billion pounds (\$34 billion) in 1985.

He told parliament that foreign expertise would be needed to achieve the objectives of the plan, but the emphasis should be on developing national capabilities and resources.

The plan was designed to promote the leading role of the public sector in the economy, but the small private and mixed sectors would be encouraged to increase their investment.

Dr. Kasbi expected overall investment during the five-year period to be 102.5 billion pounds (\$26.3 billion). He said that 77 percent of Syrian consumption would be met by local production in 1985 compared with 81 percent in 1980.

Import would rise by just 3.4 percent to 21.6 billion pounds (\$5.54 billion), while exports were expected to go up 6.5 percent during the period of the plan, from 10.88 billion pounds (\$2.8 billion) to 14.92 billion pounds (\$3.8 billion).

Beirut economists said the plan reflected a more modest approach to development than the previous one, drawn up after the 1973 Arab-Israeli war.

Syrian planners admit the 1975-80 program was too ambitious, failing to take into account stresses imposed by population growth and inadequate infrastructure which created local bottlenecks in industry and food supplies. (R)

Vietnamese desertions 'mounting'

By Catherine Campbell

TUOL SDAO, Kampuchea — To reach this settlement of Kampuchea's ousted Khmer Rouge government, you can go by road or more impressively, on the back of an elephant. Elephant transport is not the easiest way — a couple of hours ambling through the jungle, dodging the thorny upper parts of bamboo trees and lurching in a wooden chair as the beast ploughs through mud up to its ponderous stomach.

Near Tuol Sdao the faint roar can be heard of trucks on the highway just across the Thai frontier. It is a reminder that despite their accounts of success in their fight against the Vietnamese, who invaded Kampuchea in 1979, the 40,000 Khmer Rouge guerrillas still have their backs to the border.

Tuol Sdao, with about 4,000 inhabitants, is one of some dozen Khmer Rouge villages along Kampuchea's boundary with Thailand. Many of its people came here from refugee camps in Thailand but others fled west to avoid the advancing Vietnamese troops.

From here the guerrillas leave for the front, now about 45 kms away. The front has been pushed east through the rugged terrain to a point where the war is no longer a constant threat to the villages.

"At one point this whole village had to be moved because of Vietnamese attacks," a Khmer Rouge official said.

But not the settlement, and two others close by, appears peaceful and self-sufficient. Cornfields cover the clearing, interspersed with tapioca and banana trees.

Villagers produce finely crafted wooden furniture to be sold in Thailand. "Ho Chi Minh" sandals fashioned from old rubber tires. Sales of goods bring in cash to buy rice that cannot be grown in the jungle and without which a Kampuchean meal is not considered complete.

Khmer Rouge officials show visitors notices which their soldiers nail to trees near the front, advising Vietnamese troops to surrender to the guerrillas and promising help to enable them to return to Vietnam or go to a third country via Thailand.

"Many Vietnamese have one of the notices in their pockets when they give themselves up," one official said, explaining that the Khmer Rouge did not keep prisoners but merely disarmed them and sent them in the direction of their choice.

Khmer Rouge tactics, mainly raids on Vietnamese outposts were designed to cause the guerrillas a minimum of casualties, the official said. Although the guerrillas claimed that Vietnamese desertions were mounting, they did not predict a quick end to the struggle. "But fighting is the only way I will ever be able to return to my home town," Phoeung, a member of the guerrilla force since 1979, stated.

He said he felt Kampuchea was bad gone to third countries or were staying in Thai camps should return to their country "to fight for national liberation."



5 powers negotiate Namibia independence

By Sidney Welland

LONDON — With varying degrees of hope, five Western governments are working urgently on a compromise formula for the eventual independence of Namibia (South West Africa).

The backstage effort calls for high diplomatic skills in calming South African suspicions while retaining the confidence of Africa's impatient 50 black-ruled nations.

U.S., British, Canadian, French and West German officials hope to have a rough blueprint ready for discussion before the end of the annual three-month-long U.N. General Assembly, which opens in New York on Sept. 15.

The Western governments, bitterly disappointed eight months ago when South Africa refused to withdraw from Namibia, believe the mineral-rich former German colony could become a flashpoint for serious trouble unless a solution can be found soon.

Tensions have risen sharply following a series of skirmishes across the Namibian-Angola border. South Africa claims there is growing Cuban involvement and last week, the Pretoria government announced plans to raise military spending by 40 percent.

The Reagan administration, a prime mover in the mediation effort, believes a rescue operation is still possible but that time for a compromise may be running out.

South Africa's commander in Namibia, Gen. Charles Lloyd, said last week that South African troops were preparing "for a more serious war" against Angolan-based guerrillas of the South West Africa People's Organization (SWAPO).

He said Soviet SAM ground-to-air missiles had been installed for the first time in Angolan border areas close to Namibia. The guerrillas have fought a 15-year bush war against South Africa. Pretoria says 800 have been killed this year, in cross-border raids inside Angola.

The Angolan government last month accused South Africa of occupying seven Angolan towns during "hot pursuit" operations. The five Western governments have been increasingly concerned with Namibia for four years as a "contact group" working within the U.N. for an internationally acceptable self-rule settlement.

Their latest initiative has been under way since the breakdown of U.N.-sponsored independence

talks just six days before President Reagan took office last January.

The main thrust has been to allay Pretoria's fears that SWAPO takeover after 65 years of South African rule would threaten white and other minority rights. The U.N. had pressed for independence by the end of 1981.

Officials say new proposals including minority safeguards are now being drafted and will be discussed with South Africa and Namibia's black neighbors before they are formally taken up.

The U.S. administration has pinpointed Namibia as a priority issue because Reagan aides are convinced there is no way of dislodging an estimated 20,000 Cuban troops from Angola until the independence problem is solved.

Since April, the "big five" foreign ministers have met twice to refine their thinking on Namibia, and will meet again at the United Nations next month. Senior Africa experts from the five nations have held four separate meetings. Simultaneously, U.S. diplomats have been quietly urging South Africa to return to the negotiating table.

European officials say progress has been made, and it's now time for the five governments to sound out how far black Africa and South Africa are ready to compromise.

While Canada and the European members of the contact group are less optimistic than the Reagan administration, they agree the United States now enjoys unusual leverage with South Africa.

After four years of frigid relations under President Carter, Reagan rides have softened U.S. criticism, offering Pretoria what they call "constructive engagement" and closer contacts.

U.S. officials say they are encouraged by South Africa's gradual attempts to ease racial apartheid policies that have led to international isolation for Pretoria's white government.

They argue that the U.S. role now is to "encourage, induce and persuade," in hopes of further relaxation, and that this soft-sell approach may help break down resistance over Namibia. Because of the Reagan administration's more sympathetic stance, a senior U.S. diplomat involved with Namibia says South Africans "know this is their best opportunity for 20 years."

U.S. Secretary of State Alexander Haig has described the attempt to change South Africa's

stand on Namibia as a "tough and anguishing job," but has said only the United States has enough diplomatic clout in Pretoria to get results.

The key to independence still rests with U.N. resolution 435, a draft for independence adopted in 1978 which provided for South African withdrawal, a ceasefire, free elections, and a U.N. transitional presence.

Black African leaders have said repeatedly that any attempt to change resolution 435 to take account of South African concerns would be a sellout. U.S. officials say the 435 draft needs "substantial improvement." European contact group governments say it should be "strengthened" to ensure minority rights but basically retained. The mediation effort is being pressed despite black African pressure for a special emergency session of the U.N. General Assembly on Namibia shortly before the regular annual assembly.

The special session, likely to start around Sept. 3, will probably hear demands for mandatory trade and other sanctions against the Pretoria government.

U.S. officials say such moves are "just role playing," and that sanctions against South Africa — blocked by U.S., British and French vetoes in a U.N. vote in April — are "irrelevant." European diplomats believe most black African states, despite hardline attitudes in public, are ready to listen if the West can produce a reasonable compromise formula.

"Privately, the Africans have told us they will consider anything that will do the trick," a senior negotiator said.

European officials concede South Africa "may be stringing us along," but say contacts so far suggest Prime Minister Pieter Botha will accept a compromise if it includes solid minority and constitutional guarantees.

Pretoria claims the U.N.'s Afro-Asian majority is biased in favor of SWAPO, and says a SWAPO-dominated government would probably come under Marxist influence to declare a one-party state.

The contact group hopes all sides will endorse a formula giving equal rights to the territory's 110,000 whites and smaller African tribal groups who also fear SWAPO's dominance.

SWAPO gets its main support from the Ovambo who comprise nearly half of Namibia's one-million people. Pretoria says Ovambo supremacy after independence could lead to civil war. — (R)

WORRYING PORTENTS

The Middle East, an area never really at ease, is now faced with vague yet extremely worrying portents of troubles to come — troubles on a larger, more dangerous scale than ever before.

In Cairo, there are expectations of certain "events" involving Egypt and Sudan on the one hand and Libya on the other. The airbattle between the American and Libyan planes, is seen as the first link in a chain of events which is soon to unfold.

In Baghdad and Amman, there is talk of joint Iraqi-Jordanian measures to face up to "developments in the coming phase", a phase which is described as "fateful." The surprise visit to Baghdad by King Hussein last week is seen as centered on detailed discussions of these "measures."

In Damascus, the Syrian government redoubles its security efforts after reports of plans to increase and extend acts of violence into all parts of the country, as part of a wider plan to effect radical changes in the area.

But it is possible the gravest news comes from Beirut, where senior Lebanese officials have voiced their worry of an impending sweep into south Lebanon. This possibility was raised by a statement from Begin himself that Israel might have to occupy parts of south Lebanon to prevent Palestinian gunners from hitting the settlements of Upper Galilee.

Those same officials also regard the renewed bouts of fighting in various parts of the country with deep anxiety, fearing that there may be underlying them an attempt to preempt the meeting of the Arab Follow-Up Committee on Lebanon early next month — the meeting intended specifically to start the inter-Lebanese dialogue aiming at reestablishing the country's national unity.

Such fears, and they are echoed in more than one Arab capital, might impel Arab leaders to settle on a definite date in the near future so that a united stand could be worked out against Israel's designs on Lebanon, as well as against all the other dangers confronting the area.

Letters to the editor:

M.E. Peace

Sir, I had previously written to you my admiration and praises for the wise and fair decisions of Saudi Arabian leaders, especially Crown Prince Fahd, regarding global problems.

Once more, Crown Prince Fahd has shown the Kingdom's dedication toward world peace and just settlement of world problems. The Middle East is comparable to the kitchen and the world to the house. If there is a fire in the kitchen, chances are the whole house will be burned.

If a spirit of brotherhood and friendship will exist in the Middle East, there must first be a sense of understanding and broadmindedness, sacrifices and also a little swallowing of pride.

Yours Truly,
Sofronio Shum
P.O. Box 183
Dhahran

The Strained Trees

Sir, Trees are a rare treasure in desert regions like Saudi Arabia. It is with strenuous efforts and relentless care that the saplings have been procured, planted and reared up alongside the streets to beautify the cities as also to provide shade and shelter to pedestrians.

But it is painful to see that many of the trees (at least in Al-Khobar) are being trained and under-cut by the hard concrete around their trunks, undermining the life of the trees and posing the problem of falling down.

The concerned department may look into this.

Sincerely,
John Eapen
P.O. Box 2228
Al-Khobar

Fossil fuel alternative

Solar powered satellites seen as an unlimited energy source

By Charles W. Hobson
Washington Bureau

WASHINGTON, D.C. — As America furiously searches for alternative energy sources of the future, a small group of scientists, engineers, policy makers and Washington lobbyists believe they have found the answer: solar power satellites (SPS). These massive electricity generators would float in space above the earth and transform the sun's rays into massive amounts of microwave energy which would be beamed to Earth receiving stations.

It is, perhaps, the most radical scenario devised since the great race for energy independence began in the early 1970's, and, like most proposals, it does not offer complete freedom for the United States from imported oil. But the idea received validity last year when the U.S. Department of Energy (DOE) concluded a three year study which said the orbiting power stations could supply much of the energy for the 21st century — not just for the United States, but for the world.

SPS was first proposed in 1968 by Peter Glaser, an engineering consultant from Boston, Massachusetts. That same year, Glaser foresaw the day when the world's oil and fossil fuels would begin to run out. He and other advocates of SPS were generally viewed as "dreamers," with a fantastic, but not very realistic, concept. But not too long after Glaser first wrote of orbiting solar power collectors, crude oil prices skyrocketed and the United States government began serious consideration of the SPS idea.

The official study by the Energy Department, with the help of the U.S. National Aeronautics and Space Administration (NASA), envisions 60 solar collecting satel-

lites built over a 30 year period (two SPS per year between the years 2000 — 2030). Each satellite would be a 50,000-metric-ton rectangle of lightweight metal, framing long arrays of photovoltaic cells. The surface of the collectors, constantly facing the sun, would be about 10 kilometers long and five kilometers wide — by far, the largest object ever to be placed in space.

In Constant Sunlight

The satellites would be put into geosynchronous orbit at an altitude of 36,000 kilometers. At that height objects remain directly over a single point on earth. The SPS system would collect sunlight almost all the time, even as earth-bound solar collectors remained inactive at night.

Back on earth, large antennas — one for each SPS — would receive the energy from space in the form of microwave rays, convert it back into electricity, and distribute it along existing power distribution lines.

Each satellite, according to Daniel O. Graham, a former U.S. Army general and once the director of the Defense Intelligence Agency, could supply enough energy to power New York City — with nearly 10 million people — forever.

Electricity For Rural Areas

Department of Energy figures suggest that, with 60 satellites operational in the year 2030, the SPS system could supply as much as 10 percent of the world's total energy needs. Graham, a vocal supporter of the concept, contends that SPS give Third World nations an inexpensive way to bring electricity to rural areas, increasing living standards in their countries.

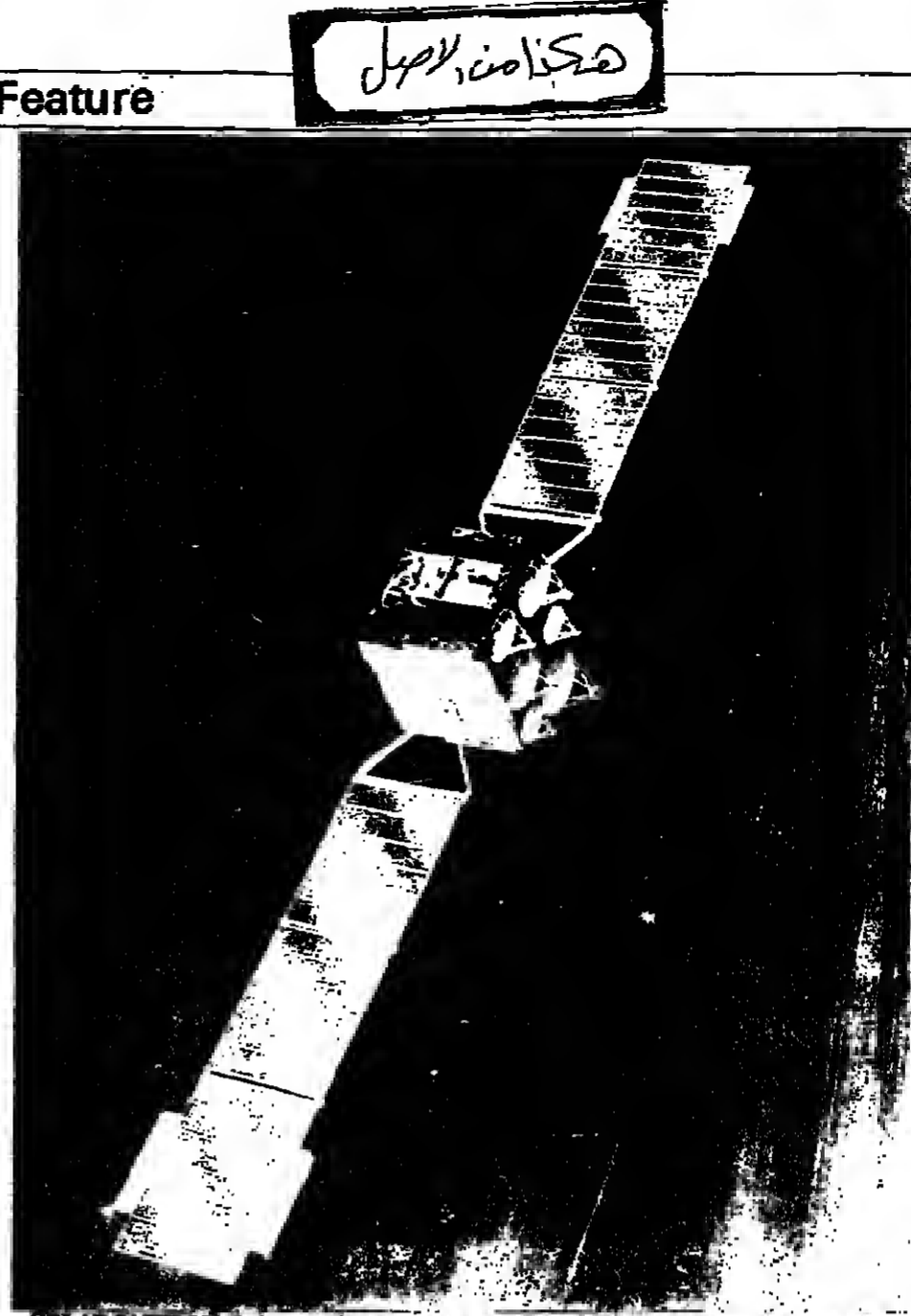
Dr. Peter Glaser, who originated the idea, refused to comment on the political aspects of SPS. He is preparing to address an upcoming United Nations conference in Nairobi in which he will outline the potential benefits of SPS to the Third World. He claims that a handful of other nations, including England, France, Japan and India, have begun SPS research of their own and that his concept "can only be realized through an international effort."

Called Costly, Uncertain

But dark clouds have appeared on the SPS horizon. This month, the National Research Council, a U.S. government-supported scientific organization criticized the DOE/NASA study calling it "too costly" and "too uncertain." It recommended that the United States not commit money to the project until NASA can report "more pragmatic developments."

Another concern is the potential harm that may occur from continuous exposure to low levels of microwave radiation. Some fear that prolonged exposure could endanger farm crops and human health near antenna sites. Dr. Richard B. Setlow, a member of the research committee and chairman of the Biology Department at Brookhaven National Laboratory says more research into microwave radiation is necessary.

The U.S. office of technological Association is studying the SPS issue and will soon report its findings to a joint congressional board SPS lobbyists are continuing their efforts to secure government funds, but so far neither Congress nor the Reagan administration has earmarked funds for SPS research. In the meantime, energy from orbiting power stations remains an enticing, yet controversial, concept.



SOLAR SATELLITE: An artist's conception of a solar satellite in operation. Each satellite would be a 50,000-metric-ton rectangle of lightweight metal, framing long arrays of photovoltaic cells. The surface of the collectors, constantly facing the sun, would be about 10 kilometers long and five kilometers wide.

Honeymoon Cairo visit kept secret

By Shyama Bhatia

CAIRO, (ONS) — The choice of Egypt as a honeymoon destination for Prince Charles and the Princess of Wales ranks as one of the best kept secrets of the British embassy in Cairo. Not since 1948, when senior diplomat Donald Maclean was thrown into a local prison, have embassy mouths been so closely sealed. Maclean, part of the famous Burgess, Maclean, Philby trio, later defected to the Soviet Union.

Embassy officials knew at the end of last month that the Prince of Wales and his new bride would be coming to Egypt, but not a word was leaked to the press, either local or foreign. Their arrival would probably have remained a secret until the last minute, but for a momentary indiscretion on the part of Port Said's Governor Sayed Sirhan: He told a friend who works for the semi-official newspaper *Al-Ahram* that he would be soon presenting the "freedom of the city" to Prince Charles.

A beaming Sirhan was on hand when *Britannia* docked at Port Said harbor. Prince Charles, wearing an open-neck white shirt with beige trousers, and his bride in Bermuda shorts, white blouse and straw hat, were clearly visible on deck from where they waved their greetings against a background of welcoming boat sirens, whistles and occasional strains of music. The governor was welcomed aboard the yacht where he presented Prince Charles with the "freedom of the city" and the Princess of Wales with a silver box with Arabic inscriptions.

Later in the evening, President Sadat and his wife arrived for a small, private dinner. For reasons of privacy and security, the admiring public and journalists were kept at a safe distance. Port Said itself was completely sealed off for nearly nine hours.

"We asked the authorities to do a security check," said the British diplomat, "but we never expected them to launch such a massive operation." He said Egyptian frogmen had spent the previous two days checking the harbor for mines.

The Egyptian President and Mrs. Jihan Sadat were preceded by British Ambassador Sir Michael Weir and his wife, Hilary. Dinner itself was a simple affair, with lamb, fish and fruit on the menu. Following dinner, which Sir Michael later to described as "very delightful — something like a family occasion," President Sadat invested Prince Charles with one of Egypt's highest decorations, the Order of the Republic, First Class. The royal honeymooners' visit was not without its moment of irony. Port Said, where the *Britannia* was anchored, was once a symbol of resistance to British colonial rule. During the Suez crisis of 1956, it was Port Said that bore the brunt of the Anglo/French/Israeli intervention. Giant welcoming posters at the harbor entrance read: "Welcome to Prince Charles and Princess Diana." Twenty-five years ago they might just as easily have said "Go Home Britain."

Controllers' strike of little benefit

Amtrak struggling to survive with few coaches, no profits

By Roy Gutman

WASHINGTON (R) — As the train slid quietly across the east Georgia swampland, an announcer told passengers on Amtrak's Silver Meteor they would arrive at Savannah in 19 minutes — half an hour ahead of schedule. The experience of arriving early is unusual on public transport and almost unheard-of on America's railway network.

But it was repeated a few days later on the route from Atlanta which pulled into Washington 15 minutes ahead of time. Meeting schedules is not the only improvement in the government financed nationwide system, which took over passenger service when private railways abandoned it 10 years ago.

Aging equipment has been replaced or completely refurbished, long-distance coaches have seats resembling sleepers in the first-class section of planes and sleeping cars have also been updated.

Automobile Travel Popular

Although railways are slowly regaining popularity in the United States, they still account for only one percent of intercity passenger travel. Despite the energy crisis and higher fuel costs, Americans still use their cars for 85 percent of intercity trips. Of those who do not drive 80 percent go by air, 16

percent by bus and four percent by rail. As U.S. traffic controllers went on strike on Aug. 3, travellers seeking alternative transportation flooded the Amtrak reservations system for more than a week.

Train Berths Limited

But seats and berths for long-distance trips had already been booked up weeks in advance. Additional coaches were added to train business soared 20 percent, Amtrak spokesmen said.

Domestic flights have been cut by about 25 percent as a result of the controllers' strike, a situation likely to last for at least a year as the Reagan administration attempts to train replacements for the 12,000 strikers.

Amtrak is already operating at near capacity on many routes and is unlikely to benefit much in the long run from the strike.

The reason? Compared with rail systems in other advanced industrial countries, Amtrak has only 2,000 passenger-carrying coaches operating over its 24,000-mile system.

By comparison, West Germany has 17,000 coaches for 17,000 route miles, France has 17,000 for 20,000 miles and Japan 26,000 covering 13,000 miles.

Profitable Operation Impossible

Even when it operates at full capacity Amtrak cannot earn a profit because of its low volume and fixed capital costs, according

to an Amtrak spokesman. Amtrak would have to run three trains a day from Chicago to Los Angeles instead of the one it now operates to make money on that route, he said.

Demand for tickets on the new two-level superliners so exceeds supply that might be feasible, at least in theory. But the Reagan administration seems anything but committed to expansion of the passenger system and earlier this year it tried to prune it drastically as part of the government's proposed budget cuts.

Amtrak officials announced that a proposal to cut the government subsidy to \$613 million would eliminate all services outside America's northeast corridor. Amtrak had asked for \$870 million in subsidy but said it would settle for \$853 million. It finally received \$735 million.

Amtrak agreed to speed up efforts to make itself self-sufficient, promising to pay 50 percent of its costs in 1982 and all of its costs by 1985.

Labor Costs Exorbitant

Unlike other modes of transportation in the U.S., Amtrak is saddled with high labor costs, stemming from the days when private railway companies were profitable and made generous settlements with unions to ensure labor peace.

Amtrak pays engineers and crews a full

day's wages for every 100 miles travelled. On the northeast corridor, a round trip of as little as eight-and-a-half hours can earn a driver four-and-a-half days pay. And the 21 private rail company lines over which Amtrak operates each provide a new crew when a train crosses onto their track.

Amtrak has asked Congress to change the labor laws and its own laws of incorporation which perpetuate overmanning practices by drivers and will attempt to renegotiate contracts accordingly. And it is negotiating with the unions to have one crew operate its trains over more than one line.

Having revamped its passenger fleet and improved its punctuality to 80 percent in some of the coldest winter months, Amtrak

will now attempt to increase the average speed of its trains, currently 40 miles (63 km) an hour. Congress has set a target of 55 miles (88 km) an hour.

The \$2.5 billion reconstruction of the northeast rail corridor has already been largely completed from Washington to New York. Trains which now take three-and-a-half hours to cover the 225 miles (360 km) may soon complete the trip in three hours, or about 75 miles (120 km) an hour. This will still be far short of high-speed trains in other countries.

Until the U.S. government decides to invest more in the rail network Amtrak will remain an also-ran compared with the railways of Japan, France and West Germany.

Improved heart transplant techniques are studied by U.S. medical researchers

By Dan Balz

WASHINGTON — Denton Cooley is a gambler, a tall and handsome Texan who slices open human hearts to the sound of country music. He is a skilled surgeon with among the best hands in American medicine, a man of enormous ego who built the Texas Heart Institute in Houston through the sheer force of personality. He moves in the world of high-stakes medicine, and sometimes that gets him in trouble. Now is one of those times.

On July 23, Cooley performed a triple bypass operation on a 36-year-old man named Willebrodus A. Meuffels. A short time later, Meuffels suffered a massive heart attack. Attendants rushed him back to the operating room, massaging his heart as they rolled him along the halls of Houston's St. Luke's Episcopal Hospital.

Cooley, believing his patient faced certain death, implanted an artificial heart. For 54 hours, the plastic heart, powered by a large electrical console nearby, kept pumping until Cooley could find a human heart donor that would allow him to perform a heart transplant on Meuffels. That operation occurred on July 26.

At 8 a.m. on Aug. 2, Meuffels died, his body overwhelmed by a massive bacterial invasion. Almost immediately thereafter came the questions, including some from the federal government.

Patient would have Died

No one challenges Cooley's medical judgment, made under fire in the operating room, that his patient would have died without the artificial heart. "If he had not implanted the device, they'd have pulled up the sheet and walked away," said Gregg G. Waddell, associate administrator and counsel at St. Luke's.

But there are many questions about the artificial heart that was used and the way Cooley had prepared the medical world for its use. How had the heart been tested? Should Cooley have cleared its use with the Food and Drug Administration in Washington? Was the operation worth the risk? Will it affect future development and use of artificial hearts?

Federal Approval Necessary

The FDA, suggesting that Cooley violated federal regulations, has informed him that he must receive its approval before using another artificial heart, and the agency wants a full report within 30 days on the details of the operation, although FDA officials made clear they are not seeking a confrontation with the prestigious Cooley.

Hospital officials say that Cooley violated no federal regulations and that the details of the heart's testing have been documented to the FDA.

The FDA disputes that claim. "We don't have any information," said Wayne Pines, associate commissioner for public affairs. "To the best of my knowledge, the hospital has never submitted anything to us in writing

on that particular artificial heart."

The publicity surrounding the incident, and the fact that the patient died so soon after the operation, are reasons why Cooley's latest gamble may prove costly.

"It's the sort of thing you can get away with once," said Dr. Phillip Oyer of Stanford University Medical Center. "Now he'll have to go through all the hoops."

The incident in Texas is the latest chapter in the checkered history of heart transplant operations, which began in glory and great anticipation in 1967 when Christian Barnard performed the first on a South African grocer.

Almost immediately, the rest of the medical world embraced the transplant as the solution to many serious heart ailments, and almost as quickly soured on the operation because so many patients died so soon of post-operative problems, the most troublesome being infection and rejection of the new heart.

At the Texas Medical Center in Houston, Cooley and his former mentor and now rival, Dr. Michael DeBakey, were among the surgeons who gave up on the procedure. DeBakey performed 12 operations over an 18-month period, then stopped in nearly 1970. "He just discontinued the program because he said the results did not justify the effort that went into them," said Gayle McInitt, a spokesman for the Baylor College of Medicine in Houston.

Heart Transplants Discontinued

The heart transplant program at St. Luke's Hospital began on May 3, 1969. "Most of the patients died within a few weeks or a few months," said Hazel Haby of St. Luke's. Until last month, Cooley had performed only one transplant since 1969, on Valentine's Day in 1978. His patient lived only two weeks after the operation.

In 1977, heart transplants were in such disfavor that the American College of Surgeons was forced to discontinue its register of operations. At that time, 346 operations had been performed worldwide on 338 patients. Only 77 were still alive.

Stanford Developing Techniques

Throughout those years, however, a team of surgeons and researchers at Stanford University, under the direction of Dr. Norman E. Shumway, continued to make steady progress, especially in solving the post-operative complications of transplants. Shumway, who in contrast to Cooley and DeBakey maintained a low public profile, gradually increased the chances of long-term survival and rebuilt the stature, of transplants in the eyes of the public and of many other surgeons.

"His experiments preceded by 10 years the first historic transplant," said Spyros Andreopoulos, a Stanford spokesman. "By the time human transplants began, Shumway had refined surgical techniques, had studied the performance of the heart and had methods and techniques for treating infec-

tion. This accounts for the fact that he has succeeded when others failed."

Shumway's success in fighting infection is especially significant. It resulted both from close monitoring of his patients and from the development of techniques for early sampling of transplanted tissues to see if infection is becoming a problem.

Strict Criteria Necessary

Another thing that has made Shumway successful is his selectivity. About 400 patients are referred to Stanford each year, and their records are reviewed by a team of doctors and researchers for certain criteria. The criteria include being under 55, being in good health except for the hearts, and having a form of heart disease for which there is no treatment other than transplants and which is likely to lead to death within six months without a transplant.

Of the 400 cases referred, about 60 patients are invited to Stanford for further evaluation, and of those about 40 are selected. The medical center performs 25 to 30 heart transplants a year. The other patients usually die before a donor can be found.

Shumway and his team have performed 281 transplants since 1968, with survival rates of about 65 percent one year, 40 percent after five. William Van Buren of Mill Valley, Calif., has lived 11 years.

Transplants Widely Studied

"Improved results and refined techniques have kindled a resurgence of interest in cardiac transplantation and six to 10 more cardiac centers in the United States are endeavoring to utilize this form of therapy," wrote Dr. Richard R. Lower and two other physicians in a journal of the American Heart Association. Lower, a former colleague of Shumway's, heads the transplant program at the Medical College of Virginia.

Artificial hearts overcome a problem that has plagued transplant programs, the lack of donors. Such hearts have been under development for years, but to date they have not been cleared for use, which is why Cooley's operation last month raised so many eyebrows.

The July operation was Cooley's second attempt to use an artificial heart. In 1969, he implanted one in Haskell Karp and then went on television with Karp's wife to appeal for a donor of a human heart. The artificial heart worked for 65 before the transplant operation, but Karp died 36 hours after the transplant.

Whether Cooley's use of the artificial heart was a success or failure is debated within the medical profession. Cooley, who would not be interviewed for this article, has said the plastic heart performed perfectly. Other physicians, asking not to be quoted, say the success of an operation like that is determined by whether the patient lives. In any case, the operation has put Denton Cooley back in the public eye, an arena he is used to.



HEAVY LOAD: High inflation and a struggling economy make it cheaper for this man in Istanbul, Turkey to carry his goods on his back. (CP)

Guerrillas routed

Salvador assured of U.S. arms

WASHINGTON, Aug. 21 (AP) — The United States is prepared to boost its military aid to the embattled government in El Salvador if necessary to counter any rise in the military strength of leftist guerrillas, the U.S. ambassador to that central American country said in an interview with *The Washington Post*.

Deane Hinton told the newspaper that he hoped the amount of U.S. military aid to El Salvador — now at \$3 million — would fall. But he said he "would recommend" an increase if aid from other sources to the leftists increased.

"We don't want to do it," he said in the Friday edition of the newspaper. "Increases and decreases in the mix are a function of the formula needed to make sure the Carpios of this world do not win," he said. Salvador Cayetano Carpio is a guerrilla leader.

In addition to the military aid, the United States has sent about 50 military advisers to El Salvador to help the government battle the guerrillas. It also has increased economic aid from \$10 million in 1978 to \$135 million this year.

In a speech earlier this week in San Salvador, Hinton said: "We are asking the Congress for still greater aid for the coming years." He did not elaborate. In that speech,

he also said the United States supports the civilian-military junta's plans to hold elections in March for a constituent assembly. The assembly would determine the procedures for presidential and general elections sometime in 1982.

Meanwhile, army troops routed about 500 leftist guerrillas from a small village they held in northeastern El Salvador and "a large number of people" were killed in the fighting, Defense Minister Jose Guillermo Garcia said Thursday.

Col. Garcia said the army retook control of Perquin, a village 228 kms from here, after heavy fighting late Wednesday. He said most of the guerrillas, heavily armed with mortars and automatic weapons, fled toward the Hooduran border.

"Those who stayed were exterminated. The others fled," Garcia said in a telephone interview. He said the guerrillas destroyed the Town Hall, the church, the small military post and the communications center before fleeing.

"International organizations should send people over to see the damage and murders these extremists have committed," he said. Garcia said army reports from the area indicated "a large number of people were killed

in the fighting," including 10 of the 19 soldiers manning Perquin's military outpost when the guerrillas overran the town Aug. 10.

The guerrillas also shot a number of people dead before they fled, including two national guardsmen they had captured, Garcia said. "All in all I cannot say at this time the number of victims for fear I may be wrong," he added.

Garcia said approximately 1,500 army troops held back a frontal assault on the village of 3,000 persons until Wednesday for fear of killing many innocent people unnecessarily.

A clandestine broadcast by the rebel Radio Venceremos late Wednesday claimed the Farabundo Marti National Liberation Front guerrillas were still in control of Perquin where they set up a Marxist government-in-arms. Garcia called the broadcast "a myth." He also denied a Radio Venceremos claim that guerrillas had shot down two army helicopters near the northern city of Guazapa. He said only one helicopter developed mechanical trouble and force-landed there.

The Farabundo Marti Front has been fighting for almost two years to overthrow the U.S.-backed junta of three civilians and one army colonel. The attack on Perquin was the biggest on a populated center since the guerrillas mounted a failed general offensive in January.

Armenian group claims attack on Swiss firm

LOS ANGELES, California, Aug. 21 (AFP) — A nationalist Armenian organization has claimed a bomb attack against a Swiss company here Thursday which caused minor damages police said Friday.

A telephone call to an American news agency here claimed the attack on Swiss Precision Instruments for the June 9 Organization, which this summer has claimed several bombings in Switzerland and against Swiss interests abroad, notably Swissair's Copenhagen office on Aug. 11.

The caller here said the Los Angeles bombing — which did not cause casualties — was a new warning that the group would continue its action until Switzerland released Mardiros Sankodigian, arrested in Geneva on June 9 in connection with the fatal shooting of a Turkish consulate employee. The message added that Sankodigian was a "soldier in the secret Armenian Liberation Army".

For some years, Armenian extremists have conducted a terror campaign against Turkey which they accuse of "genocide" of Turkish Armenians. The new wave of violence, against Switzerland, has left over 30 persons injured, one seriously.

Researchers say Smoke quitting saves heart

CHICAGO, Aug. 21 (AP) — Even smokers who have used cigarettes for decades can reduce the risk of having a heart attack by giving up smoking, according to researchers who conducted a recent study.

Earlier researchers found that smoking increases the risk of heart attack by causing the arteries to clog, said Dr. Arthur J. Hartz, one of the scientists whose findings were published in the Aug. 21 issue of the *Journal of the American Medical Association*.

But a new study of nearly 4,000 men found that "there are other, probably more important ways that smoking causes heart attacks," Hartz said. Those who quit smoking minimize that damage, he added.

The study was conducted by researchers at the Medical College of Wisconsin, where Hartz is an assistant professor of preventive

medicine, and the Wood Veterans Administration Medical Center, both in Milwaukee. The researchers found that nicotine appears to put extra stress on the heart by increasing blood pressure and heart rate at the same time that smoking seems to weaken the heart's ability to respond to stress, said Hartz. He noted that smoking also increases the tendency toward irregular heart beat.

The researchers measured relative risk of heart attack in nearly 4,000 men, smokers and non-smokers. About half the men suffered heart attacks, Hartz said, and most of the others had chest pains.

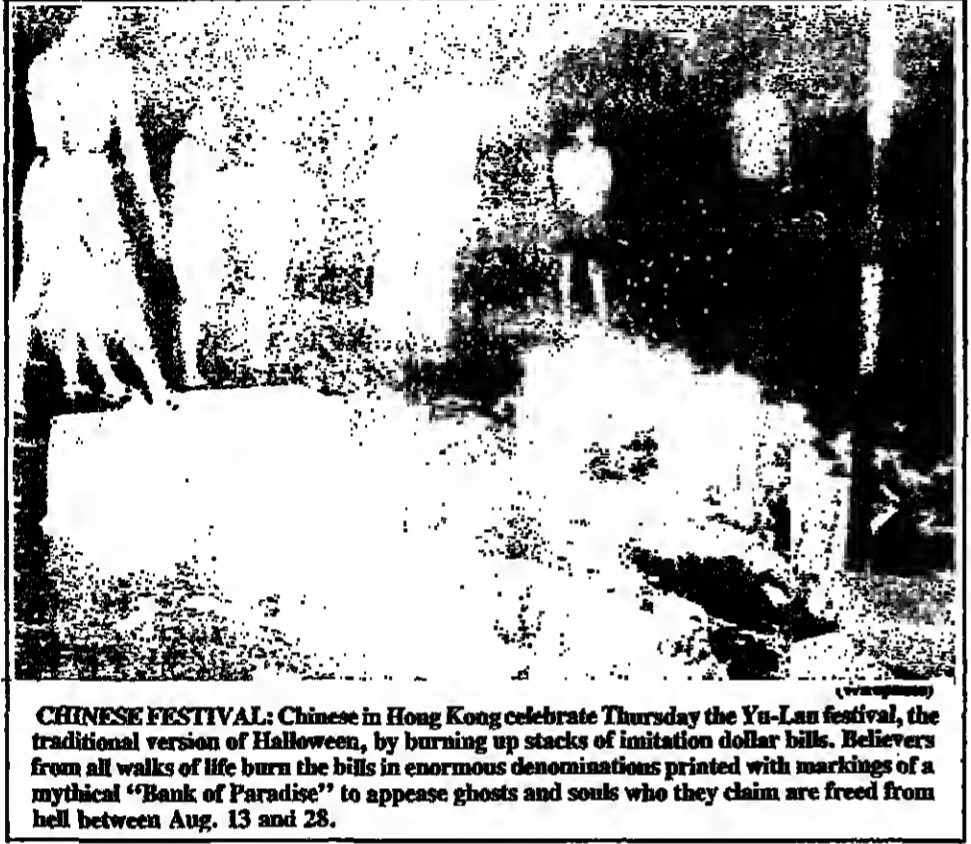
Hartz said the findings are important because long time smokers may incorrectly believe there would be no benefit in quitting. He said an individual who quits after several decades of smoking still will reduce his risk of having a heart attack.

China reproduces human cancer cells

PEKING, Aug. 21 (AFP) — For the first time in China, scientists have succeeded in reproducing in vitro human cancer cells, the *People's Daily* reported Friday.

In a front-page story, the paper said the cells, extracted from a cancerous lung, had already been reproduced 77 times by scientists of the Shanghai Biology Institute.

The Communist Party organ indicated that the achievement had great significance for early diagnosis of cancer, and for discovery of new anticancer treatments.



CHINESE FESTIVAL: Chinese in Hong Kong celebrate Thursday the Yu-Lan festival, the traditional version of Halloween, by burning up stacks of imitation dollar bills. Believers from all walks of life burn the bills in enormous denominations printed with markings of a mythical "Bank of Paradise" to appease ghosts and souls who they claim are freed from hell between Aug. 13 and 28.

Talks on Third World

Cheysson to visit India

PARIS, Aug. 21 (AFP) — French Foreign Minister Claude Cheysson's two-day visit to India this weekend reflects the new Socialist government's eagerness to place Franco-Indian relations on a "more ambitious" footing, according to diplomatic sources here.

Cheysson, who leaves for New Delhi Saturday, will confer with Prime Minister Indira Gandhi and other Indian leaders.

France and India have a similar outlook concerning third world development priorities, diplomatic sources here pointed out. The sources indicated that Afghanistan and southeast Asia were two other topics expected to figure high on the agenda of Cheysson's New Delhi visit.

During the visit to India of former President Valery Giscard d'Estaing in January 1980, shortly after Soviet troops entered Afghanistan, France and India came out with a common stance hostile to outside intervention in the country and in favor of self-determination for the Afghan people.

On Southeast Asia, the positions of France and India differ. India is one of the few nations outside the Soviet bloc to have recognized the Vietnamese-backed Heng Samrin regime in Cambodia, while France still recognizes the deposed Khmer Rouge government still occupying the Cambodian seat in the United Nations.

Cheysson's exchange in New Delhi could well strike a new note, since it is admitted here that France has remained too long in the background of the Southeast Asian scene. Bilateral cooperation will also loom large at the New Delhi talks, the sources said. India recently opened negotiations for the purchase of 200 Mirage-2,000 war planes from the French firm of Dassault, a concern due to be nationalized under the Socialist program.

If the deal is successfully closed it will represent a vast stride in the growth of Franco-Indian exchanges — seen here as all too modest in relation to India's position as the second largest nation in Asia.

Cooperation between France and India could have a favorable impact on the international situation by reducing tension and promoting détente, Indian External Affairs Minister Narasimha Rao told AFP in an exclusive interview in New Delhi Friday.

Rao raised the issues of Cambodia, relations with the Soviet Union and the United States, militarization of the Indian Ocean zone and tension with Pakistan. "Indo-French economic cooperation is also on the increase and several important contracts

have recently been signed for cooperation in the fields of aluminium, coal and petroleum," Rao said.

On Cambodia, Rao recalled the communique issued after the nonaligned foreign ministers' meeting in New Delhi earlier this year which called for the withdrawal of "all foreign forces and full respect for the sovereignty, independence and territorial integrity of all states in the region" including Cambodia.

"We are convinced that such a solution can only be achieved through a dialogue between the countries of the region and believe that the international community has an obligation to encourage direct contacts between the states of the region."

"The involvement and intervention of outside powers in the region which has exacerbated tension must be eliminated," Rao said. He said India was prepared to join in all "constructive efforts" aimed at seeking a peaceful solution in Cambodia.

Rao refuted Western press allegations that India did not have a "firm" attitude on the Soviet aggression in Afghanistan. "India has been categorical in her assertions of opposition to external interference in Afghan affairs from any quarter. This has been conveyed to all concerned including the authorities in the Soviet Union."

"We have no intention of embarking on any new initiative. We have to maintain contact with the Kabul government. Actually there are so many initiatives floating around. We would like to wait and see how other initiatives are faring before we do anything more," he said.

Asked on India's relations with its other neighbors, Rao said, "We want to maintain friendly relations with Pakistan and Bangladesh, we want to normalize our relations."

He added: "no certain matters we differ. When these matters add up and become serious we are concerned. It is a problem of introducing new and sophisticated weapons to the area. The more sophisticated you become the more you have to divert your resources from development. So it is better for both of us to have them. Those arms are not really needed, if one does it the other will also have to do it."

He said India viewed U.S. military buildup in Diego Garcia very seriously: "We feel the Indian Ocean should be a zone of peace. One base can lead to another with the result that the whole of the Indian Ocean becomes a zone of tension. It can result in a conflagration," he said.

Fall in cases of yellow fever recorded

GENEVA, Aug. 21 (Agencies) — The World Health Organization (WHO) Friday reported a big drop in yellow fever cases last year but warned that the risk of outbreaks remained serious.

The Geneva-based organization said that the number of cases dropped from 713 in 1979 to 135 last year, mainly because the epidemic in Ghana had ended. But it said the disease was still endemic in Ghana and reported a critical development in the hill region of Colombia where the disease was spreading toward rural and urban areas.

It also reported the chance discovery of fever-bearing mosquitoes last year in Bolivia, which in 1943 became the first country to eradicate the disease.

The WHO reported in its weekly bulletin on epidemic diseases that it had been informed of the deaths of 110 of the 135 persons who caught the disease last year. In 1979, the disease killed 283 persons. Latin America accounted for 119 of last year's cases and 102 deaths. The number of deaths in Ghana dropped from 120 in 1979 to six and the number of cases from 494 to eight.

Firing exchanged at Thai-Malaysia border checkpoint

KUALA LUMPUR, Aug. 21 (AFP) — Communist terrorists again fired at the security forces post at Bukit Berapi overlooking the immigration checkpoint at Kroh, near the Thai-Malaysian border, it was reported here Friday.

The incident, which occurred late Thursday, drew immediate return fire from troops at the post. Artillery fire from the 10th Malaysian Infantry Brigade was also directed at the suspected terrorists position.

Following the shooting, the immigration checkpoint was closed to all civilians to facilitate security operations. There was no report of casualties. The Communist terrorists had attacked the same border checkpoint last Tuesday.

Six civilians were injured and one had died in a bobby trap planted by Communist terrorist in the jungles of Padang Senai in the Thai-Malaysian border, the director of management of the Royal Malaysian Police Force, Datuk Borhan Kuntom, said Friday.

He urged people living in and around the area to be vigilant and wary of threats imposed by a group of about 60 terrorists operating in the Padang Terap district near the Thai border. However, he assured the people that the security situation in the district was well under control as a result of the close cooperation between the local people and the members of the security forces.

U.S. may not back Khmer Rouge at U.N.

BANGKOK, Aug. 21 (AFP) — U.S. Ambassador to the United Nations Jeane Kirkpatrick Friday said she would personally find it "very difficult" to back the seating of Cambodia's ousted Khmer Rouge government at the U.N. General Assembly next month.

Mrs. Kirkpatrick, on a six-nation Asian tour, said her personal feelings were irrelevant however because the issues was whether to sanction the Vietnamese invasion and occupation of Cambodia. Speaking at a news conference the ambassador said the U.S. stand was "above all" supportive of the five-member non-Communist Association of Southeast Asian Nations (ASEAN).

The ASEAN and western members argue that withdrawing recognition of Pol Pot and leaving the seat empty would be tantamount to condoning the Vietnamese invasion that toppled his government in January 1979. It's irrelevant," she replied who asked whether she herself would cast the U.S. vote backing the bloodstained government of ex-Premier Pol Pot in the face of another expected Soviet-backed challenge to its credentials.

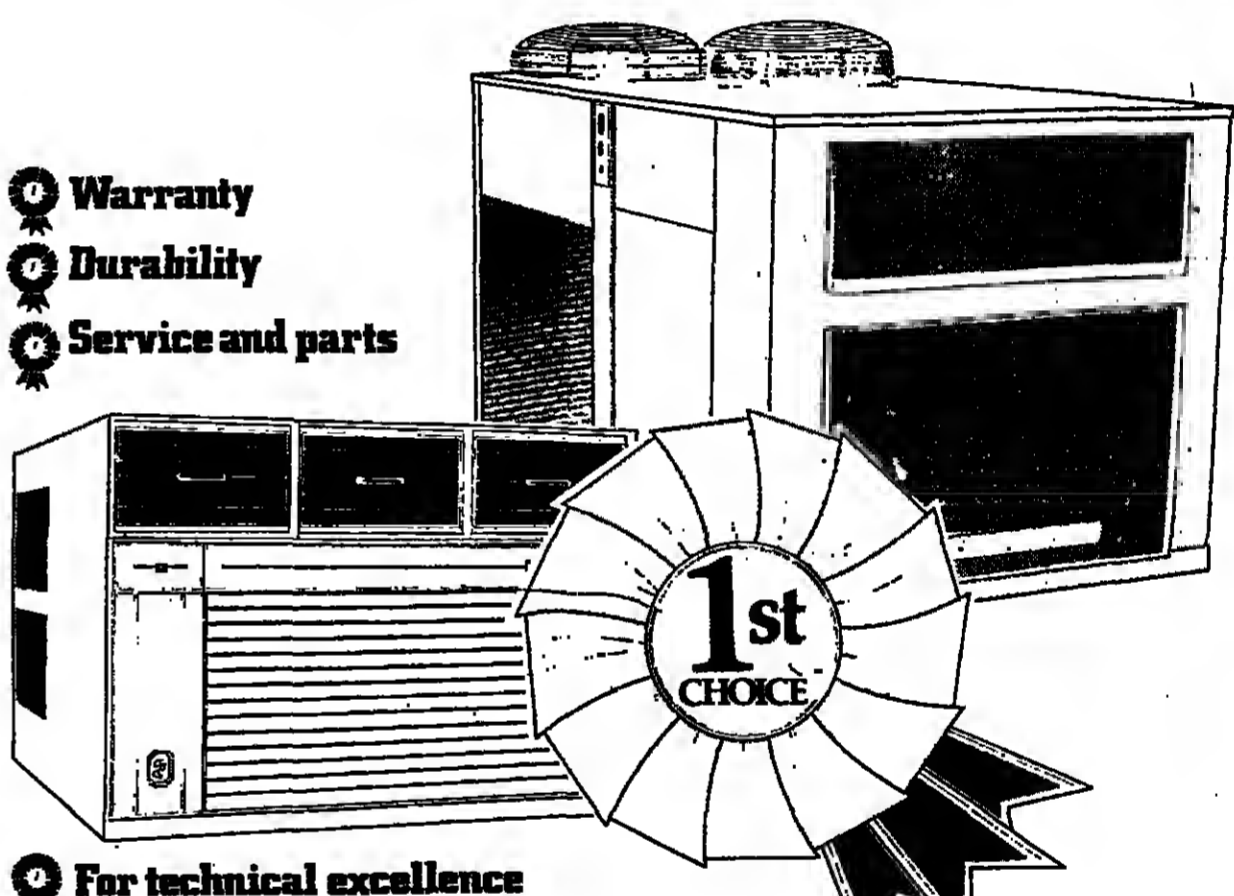
The U.S. has already said it would vote to seat the Khmer Rouge in the new General Assembly session, but supports efforts to form a tripartite coalition of anti-Vietnamese forces including those led by former head of state Norodom Sihanouk and his one time Premier Son Sann.

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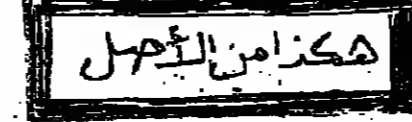
LONDON, (AP) — Harold Evans, editor of *The Times* of London, married Tina Brown, editor of *The Yorker* magazine, in New York Thursday, Britain's domestic Press Association news agency reported. Evans, 53, and Miss Brown, 27, were wed at the Long Island home of *Washington Post* editor Beo Bradlee, the agency said.

THIONVILLE, East France, (AFP) — Several hundred people demonstrated here Thursday against plans to construct a nuclear power station at nearby Cattenom. One of the slogans — in a reference to unemployment as well — was "Inactive Today — Radioactive Tomorrow." No incidents were reported.

SINGAPORE, (AFP) — Police have

arrested 21 workers at the New Changi Airport here in a crackdown on increased pilfering of goods from travelers' luggage at the terminal which opened six weeks ago. Police were reported to have visited about six homes in connection with their investigation, which began after it was noted pilfering was on the increase only a month after the new airport began operating.

NEW DELHI, (AFP) — One student was killed and eight others were injured seriously when police opened fire on demonstrators at a college near Allahabad, in Uttar Pradesh state Thursday, reports said. Police opened fire when some of the 2,000 students demonstrating for better facilities threw stones at the officers.



Response to U.S. move

Neutron production by Soviets hinted

MOSCOW, Aug. 21 (R) — A senior Soviet commentator Friday evoked the possibility that the Soviet Union might consider making its own neutron warhead in response to the U.S. decision to produce and stockpile the weapon.

Yuro Zhukov, in an article in the Soviet Communist Party daily *Pravda*, recalled that in April 1978 Soviet leader Leonid Brezhnev said Moscow would refrain from producing the neutron weapon if the United States did likewise. The proposal, he said, was today more topical than ever before.

But he also recalled previous Soviet statements that Moscow would take "necessary measures" to assure its own security and that of its allies in the light of the U.S. decision. "Here is something for the Washington leaders to think about. The choice is before them. And they should not be slow in choosing," he said.

Moscow has launched a high propaganda campaign in the Soviet bloc press against the neutron warhead, a battlefield weapon designed to kill tank-borne troops by enhanced radiation while leaving surrounding property relatively unscathed.

It says production and stockpiling of the controversial weapon by the United States will spark off a new round in the East-West arms race and lower the threshold for a nuclear war. Zhukov said supporters of peace in the world were demanding even more stri-

dently than before that the United States reject "the barbarous, inhuman neutron weapon" and begin arms talks with Moscow.

There have been reports, never confirmed in Moscow, that the Soviet Union was already testing a neutron warhead. Egon Bahr, a leading West German disarmament expert, said last Monday that the Soviet side had produced evidence of this at an East-West disarmament commission.

French Defense Minister Charles Hernu said on Aug. 10 that Moscow had tested a neutron weapon but he added that he did not believe any explosion taken place.

In Geneva the United Nations Disarmament committee wound up its summer session Friday with the Soviet Union and its allies balking in their strenuous efforts to seek a convention outlawing the neutron bomb.

Despite repeated reassuring from the Soviet bloc for the creation of a working group to draft a convention specifically outlawing neutron weapons, the Western countries maintained there was no need for such a convention, which the Kremlin had been calling for since 1978, to no avail.

The United States argued the essentially defensive and deterrent role of the neutron bomb, with its highly selective target capability — disputing the Soviet contention that it was a weapon of indiscriminate mass destruction.

Admiral fails in duty

2 U.S. N-subs plunge deep

GROTON, Connecticut, Aug. 21 (R) — Two U.S. nuclear submarines plunged to a depth they had never gone before when an 81-year-old admiral failed to give the correct orders after throwing the engines in reverse, the shipbuilders have said.

The makers, Electric Boat, said the incidents occurred in the Atlantic Ocean in January and July aboard the submarines *Jacksonville* and *La Jolla* when they were being commanded on sea trials by Adm. Hyman Rickover.

A company spokesman said *La Jolla*, a fast-attack submarine, plunged at a 40-degree angle to 240 feet below the deepest level at which it had been tested. He said the plunge occurred south of Long Island during a maneuver in which the vessel was supposed to be kept on even keel.

Electric Boat said *La Jolla* dived dangerously when Adm. Rickover, the father of the atomic submarine, was testing a maneuver known as "quick stop" in which a submerged submarine running at top speed is halted by reversing the engine screws.

Navy memoranda made public by the company said reverse power must be stopped once the submarine ceases going forward or it begins to go backward and plunges out of control. But Electric Boat officials said that during the maneuver neither Adm. Rickover nor anyone else gave a timely order to stop engines.

Company general manager P. Takis Veliotis said a similar incident occurred aboard

the *Jacksonville* in January. He called for investigation of the incidents in a letter to Adm. Thomas Hayward, chief of naval operations.

But the admiral, in a one-page reply, said he did not believe there was any danger. Adm. Rickover's office did not respond to the charges. The company said the incident aboard *La Jolla* occurred on July 27 when Electric Boat technicians were among the 60 or 70 civilians aboard.

Electric Boat spokesman Alex Piranian said: "If he (Ad. Rickover) goes off target again during one of these tests, the boat could start diving and you could reach a point where it's too late for anyone to do anything before you have a disaster."

In his letter to Adm. Hayward, Veliotis said the *La Jolla* incident occurred "when the ship's basic safety system had not been tested under sea conditions and a large percentage of the crew had not prior experience in operating a sub at sea." He added that the incident could have had "disastrous consequences."

In his reply, Adm. Hayward said: "The crashback maneuver which terminates the full power run is challenging to a crew... But I would not categorize it as hazardous." The company said Adm. Hayward promised to improve communications so that two key officers, the officer of the deck and the engineering officer of the watch, would know the submarine's speed.

Right to self-determination

U.N. panel opens Puerto Rico issue

UNITED NATIONS, Aug. 21 (Agencies) — A key United Nations committee has voted to reopen the question of independence for Puerto Rico, a Caribbean island dependent on the United States under a special statute. The U.N. Decolonization Committee voted for a resolution that recalled the Puerto Rican people's inalienable right to self-determination and independence and it recommended that the question be put on the agenda of next year's U.N. General Assembly.

The resolution was proposed by Cuba, Syria, Afghanistan and Iraq. It was passed by 11 votes against two (Australia and Denmark), with 11 countries abstaining. The

2 held for exporting bug devices to Russia

LOS ANGELES, Aug. 21 (AP) — Two persons have been arrested on charges of selling bugging devices and other strategic technology for shipment to the Soviet Union, and authorities have said that two others sought in the case are probably at large in Europe.

The arrests came shortly before the four were charged in a 60-count federal grand jury indictment Wednesday. Still sought were Werner J. Bruchhausen, 42, of West Germany, and Dietmar Ulrichsfer, 41, of Austria, officials said.

They're overseas for sure," Alan Walls, deputy regional director of U.S. customs, said Thursday. "We can't comment on where..." Three weapons and an ammunition cache were seized Wednesday in the arrest of Anatoli Maluta, 61, a Soviet-born U.S. citizen who lives in California, and Tittel, 31, also of California.

Assistant U.S. Attorney Theodore W. Wu said they would be arraigned Monday. Both were held in lieu of \$800,000 bail, pending a bail hearing later Thursday.

Some U.S. cities face shortage of doctors

CHICAGO, Aug. 21 (AP) — Some cities and medical service centers could face temporary physician shortages if the numbers of foreign medical graduates practicing in the United States continues to decline, a report says.

An article in the Aug. 21 issue of the *Journal of the American Medical Association* said the number of foreign medical graduates entering U.S. residency programs declined steadily — by a total of 20.5 percent — from 1975 to 1979. In addition, the number of exchange visitor graduates dropped 73.4 percent.

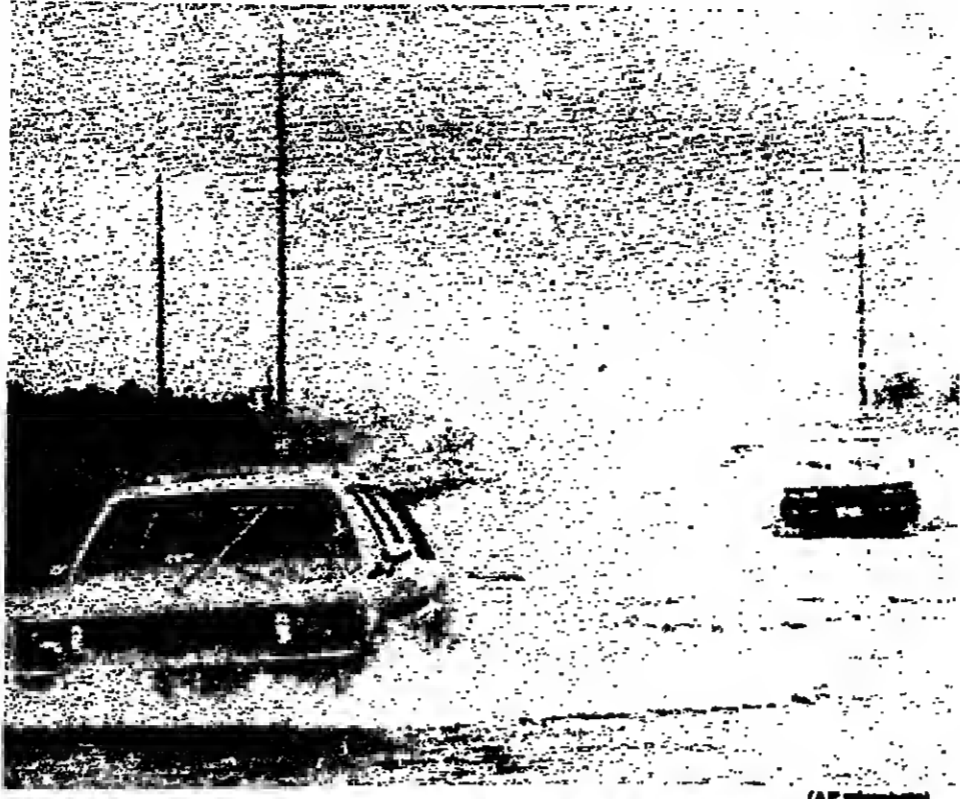
Louis L. Goodman and Lorna E. Wunderman of the AMA's Center for Healthy Policy Research attributed the trend to more

stringent entrance requirements in the 1976 Health Professions Educational Assistance Act.

The reduced supply of foreign medical graduates apparently has caused "a substantial disruption of medical services in teaching hospitals" in New York city and other highly industrial, urbanized cities, the article said.

The hardest hit specialties have been general surgery, family practice, internal medicine, obstetrics-gynecology, pediatrics and pathology.

The shortages came despite increases in the numbers of U.S. medical graduates and foreign-trained U.S. medical graduates between 1975 and 1979.



STORM HAVOC: Motorists push through flooded North Carolina highway as tropical storm Dennis has caused heavy rain and widespread flooding. The storm moved out into the Atlantic Thursday and became the first hurricane of the 1981 season.

Tourists flee Atlantic storm

NAGS HEAD, North Carolina, Aug. 21 (AP) — Tropical storm Dennis routed thousands of tourists from the Carolina vacation islands Thursday, then moved out into the warm waters of the Atlantic and became the first hurricane of the 1981 season.

The storm, blamed for two deaths in South Carolina and flooding along the coast, pushed across the outer banks during the morning and headed northeastward, building its strength along the way.

However, as Dennis became a hurricane, gale warnings were discontinued along the U.S. Atlantic coast. The warnings had been posted from Cape Hatteras north to Chincoteague inlet, including the outer banks, and on Chesapeake Bay from Windmill Point southward.

At 2200 GMT, the center of the hurricane was estimated to be about 240 miles east of Norfolk, Virginia. It was moving toward the east-northeast at 20-25 mph and was expected to maintain that motion Friday.

Air Force reconnaissance measured hurricane Dennis's highest winds at 75 mph (120 kph), just over the minimum needed for hurricane status. Little further change in strength was indicated.

Officials estimated the storm's day-long sweep along the resort islands of the lowest

east coast cost the area millions of dollars in lost tourist dollars.

Highways were clogged with an estimated 40,000 to 50,000 vacationers fleeing South Carolina's popular Grand Strand resort area as the storm approached Wednesday. In Myrtle Beach, South Carolina, an estimated 30,000 to 40,000 packed up and left.

Spain plans to join NATO

MADRID, Aug. 21 (R) — The Spanish government has decided to draw up plans to join the North Atlantic Treaty Organization (NATO), State Secretary for Information Ignacio Aguirre said.


He told a news conference that a meeting of ministers agreed to refer the drafting of a bill for that purpose to the council of state, a body of legal experts that must be consulted on questions touching the constitution.

Prime Minister Leopoldo Calvo Sotelo has made it clear since he came to power in February that he wanted Spain to join the Western alliance by this autumn. But he has run into strong opposition from the large Socialist Party as well as the Communists, who have called for a referendum on the question.

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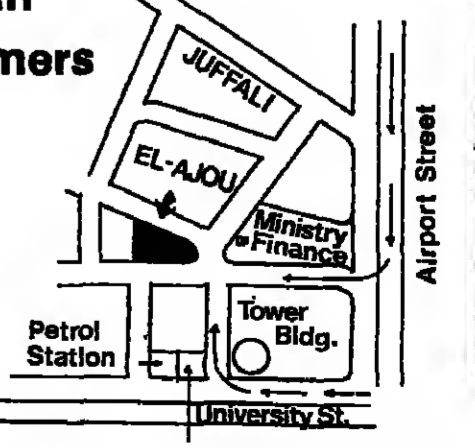
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U.K. reaches accord to avert rail strike

LONDON, Aug. 21 (AP) — State-run British Rail and leaders of the three rail unions, after 21 hours of talks, announced Thursday night they have agreed a formula to avert a national railroad strike scheduled to start Aug. 31.

Union leaders said they will present the peace formula to their executives Friday for a final decision. But railroad sources, who declined to be quoted by name, said it seemed certain the threatened strike by the 180,000 railmen would not now take place.

British Rail Board member Clifford Rose, who was the management's chief negotiator, said the 'understanding' drawn up with the unions was acceptable to the board. Both sides declined to give details of the agreement, reached after a series of meetings with the independent arbitration and conciliation service.

The apparent ending of the pay dispute

averted what was shaping up as a major confrontation with the Conservative government of Prime Minister Margaret Thatcher after pledges from the powerful steel and mineworkers' unions to support a railroad strike by halting all movement of steel and coal normally carried by rail.

The British Rail Board Chairman Sir Peter Parker announced last Tuesday the network was heading for a £140 million (\$260 million) loss this year and said a strike could finally cripple it. The dispute was over an 11 percent pay increase for railmen, whose current average weekly earnings range from £95 (\$176) for guards to £115 (\$213) for signalmen.

The unions demanded the entire award without strings. The board would pay 8 percent and make the remainder contingent on improved productivity and less union restrictive practices.

Survey shows EEC trade looking up

BRUSSELS, Aug. 21 (R) — The latest survey of European businesses by common market commission shown further evidence of an economic recovery, the EEC commission said Saturday.

More businessmen forecast an increase in their manufacturing production levels last month than in June, while stocks of finished products were expected to stabilize or fall.

British and French businessmen reported particularly favorable expectations, and the outlook for future business orders was also better in West Germany and Italy.

The monthly business surveys are regarded as a reliable advance indication on the economic performance within the European Economic Community (EEC).

Business expectations fell throughout 1980, coinciding with a marked drop in industrial production.

Italy faces winter of blackouts

ROME, Aug. 21 (R) — Italy faces another winter of blackouts as the state electricity company struggles to make ends meet and the government attempts to implement the latest in a long series of failed national energy plans.

Last January, big cities suffered rotated power cuts as the energy demand outweighed supply. The State Electricity Company (ENEL) said the lights could go out again this winter if there is a cold snap.

Local squabbling over the siting of power stations, underpriced electricity supplies and a lack of natural resources have left the country on the verge of energy bankruptcy.

Unveiling the latest energy plan, Industry Minister Giovanni Marcora said 'the problem must be tackled immediately or Italy will be forced to resign its place among industrialized nations.' 'If we do not want to continue in this irresponsible way we must take immediate decisions,' said Marcora. 'Otherwise we will find ourselves in a madhouse — a cold madhouse.' Italy has produced detailed energy strategies almost yearly since 1975, but few of the proposals have ever been realized.

Local authorities, influenced by business and farming interests and a small but vociferous environment and anti-nuclear lobby

Squabbles hit energy plan

Italy faces winter of blackouts

have managed to block or stall any decision on sites for new power plants. Former Industry Minister Romano Prodi, now professor of industrial economics at Bologna University, said: 'The current program for nuclear energy and the changeover to coal is totally insufficient.'

Only one nuclear power station is currently working in Italy, according to ENEL. The three others in existence are closed down for 'technical reasons.' Consequently ENEL has to rely on expensive oil imports to feed its power stations.

At the same time government policy keeps the price of electricity to the domestic consumer well below production and distribution costs, leaving ENEL out of pocket. Last month, the electricity company announced that due to lack of funds it had suspended all its investment programs and would have to concentrate its meager resources on keeping its present plants functioning and paying its staff.

Last year, ENEL made a loss of 498 billion lira (\$415 million) and its deficit this year is likely to be much higher. Italian industry does not enjoy the low-cost privileges of domestic consumers.

High energy consumption is penalized with high prices, adding to the problems of

Italy's ailing heavy industry the cost of electricity per kilowatt hour in the Italian steel industry is almost double that in France. And the French hope costs will fall over the next few years as more nuclear plants come into operation.

The cost of electricity from atomic stations is almost a third of that produced by fuel oil plants. For the past six years and with numerous energy plans, successive industry ministers have been trying to persuade Italians that nuclear energy and coal are the answer.

This year's plan reiterates its earlier projections of eight nuclear power plants and 11 coal plants by 1990 and proposes 87,446 billion lira (\$7.2 billion) in investment over the next 10 years.

But it has one new feature. In order to encourage local authorities into action, it proposes that in the event of a stalemate over siting decisions, the prime minister be empowered to intervene and overrule local decision.

To save energy it suggests curbing the Italian weakness for fast cars by reducing the legal speed limit and possibly limiting access of private cars to city centers.

French firm defends tie-up with Japan, U.S.

PARIS, Aug. 21 (AFP) — The French electronics giant Thomson-CSF was obliged to collaborate with Japanese and U.S. firms to impose its advanced videodisk equipment, aimed at the industrial and educational sectors, on world markets, company President Jean-Pierre Bouyssonnie has said here.

He was Thursday commenting in an exclusive interview with AFP on last Thursday's seizure by union activists of 30 crates of Japan-bound Thomson videodisk components at the port of Brest, north-western France.

The unions claim that by doing a deal with Japan — the Teac Hi-Fi firm — Thomson was depriving unemployment-hit Brittany of up to 350 possible new job outlets. Earlier this week, a Thomson spokesman refused to put a value on the components, which the unions said they were holding "in safe-keeping" until Thomson came out with a statement on its overseas trading policy.

Thomson, which also makes highly-sophisticated military and telecommunications electronics equipment, is in line for nationalization under the new Socialist government. It is a pioneer in the videodisk field, with 10 years experience, although the cost of its professional laser tracking players is far higher than the recently marketed RCA selectavision home entertainment unit with its electro-magnetic system.

It was to break into the public entertainment sector that Thomson had done a deal with U.S. and Japanese firms as "a Trojan horse is needed to penetrate certain closed markets," Bouyssonnie said. Thomson has reached agreement with Teac in Japan and 3M in the United States "to create a new, improved and cheaper product," said Bouyssonnie in his first interview since taking over the firm last June.

Under the deal, 3M will work on disk manufacture and Teac on hardware production.

Thomson, Bouyssonnie said, was aiming at imposing its own system on world markets as "the race for standards was on." Only improved quality and lower prices could give Thomson a chance in this race, he added.

He said that Thomson laser equipment would be produced in France, Japan and the United States "depending on how the markets developed" — with Japan and the U.S. deemed most promising. In answer to the unions he said "up to 100 jobs could be created in France between now and 1983."

He cited Thomson's agreements with Thorn-Emi (Britain), Aeg-Telefunken (West Germany) as part of the firm's attempts at creating a solid industrial base in Europe in the Hi-Fi and videocassette markets. Bouyssonnie said that already Thomson was No. 1 European producer of professional electronic equipment in Europe and No. 2 in color TV, washing machines and refrigerator compressors.

IMF seeking funds on private marts ruled out

WASHINGTON, Aug. 21 (R) — The International Monetary Fund (IMF) is unlikely to borrow money on private markets this year despite pressure to hand out large loans to bail out debt-ridden countries, according to financial sources here.

Speculation about the IMF's financial position has increased since the fund opened negotiations with India on a \$5.5 billion package which would be the largest single IMF loan.

There have also been rumors that Poland may be preparing to join the fund, a move which would also certainly lead to a big loan request to rescue the ailing Polish economy.

Earlier this year, demands on IMF grew as members faced rising debts because of higher oil prices and recession.

The IMF managed to relieve pressure on its funds by reaching an agreement with Saudi Arabia under which the Kingdom would make \$8 billion available over two years in a special account, known as the access fund.

Financial sources said the IMF intends to stock to its announcement earlier this year that it would borrow money on private markets only as a final resort.

Apart from the Saudi Arabian loan, the access fund has \$1.3 billion dollars put by a number of industrial countries. The IMF also has \$59 billion in general funds provided by member countries on quota basis. About \$30 billion has to be kept in reserve for members to draw on request.

Numberous requests for help are already in the pipeline. China has drawn a billion dollars in loan this year in its first request to the IMF and is expected to come back for more.

Manila lifts ban on strikes

MANILA, Aug. 21 (AFP) — President Ferdinand Marcos signed a new Philippine Industrial Relations Act Friday, formally lifting a nine-year ban on strikes, but some labor federations have filed a protest with the supreme court.

While signing ceremonies were held at the Malacañang Palace with representatives of the interim national assembly, the leftist May First Movement (KMU) picketed the ministry of labor, branding the new labor act "anti-labor and anti-Filipino."

KMU chairman, Felixberto Ojales, 77, said the new bill while lifting the overall strike ban, lists many new qualifications which "make it even worse than the original martial law strike ban."

The labor act upholds the worker's right to strike as well as management's right to lock out, but lists "industries vital to the national interest" as still covered by strike restrictions. These industries are public utilities, banks, factories in export processing zone and defense-related establishments. A two-third secret vote is also needed to legitimize a strike call.

At first the pro-government Trade Union Congress of the Philippines also opposed the new labor act, but finally voted in favor of the bill when Labor Minister Blas Ople promised to file another bill further defining strike regulations.

Albania's economy said in disarray

BELGRADE, Aug. 21 (AP) — The official Yugoslav news agency Tanjug, quoting an Albanian report, said Thursday that the economy of that isolated, self-reliant country was sagging.

The agency quoted the Albanian newspaper *Bashkimi* as saying that several enterprises had failed to fulfill their production quotas set down by the last five-year plan.

The Albanian report said workers had become undisciplined and inefficient, and that in one region alone over 11,000 work days were lost in the first six months of this year. *Bashkimi*, according to Tanjug, said that managers were complaining about the lack of qualified workforce and that the worst situation was in industry and agriculture.

Although no figures were available, Tanjug said indications were that economic objectives set by the last five-year plan were not achieved and that the seventh five-year plan, from 1981-1985, includes some objectives carried over from the previous plan. The main accent of the new plan is to create more employment and achieve a sharp rise in industrial output, projected for 1985 to be 45 percent more than the present level.

Tanjung said the new plan provides for expanded foreign trade which would mean Albania would have to produce more export goods in order to be able to import. Albania is the only country in the world whose constitution prohibits foreign debt. Its citizens pay no taxes.

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Nairobi talks

Action plan to boost energy means drawn

NAIROBI, Aug. 21 (AP) — Rich and poor nations agreed Thursday on a plan of action to promote new energy sources, but remained divided over the money to pay for it.

"What we've got now is a tail without a dog," said one energy expert. As the first United Nations conference on new and renewable energy sources drew to a close, delegates met behind closed doors to try and resolve the major stumbling blocks: money and the kind of institution to carry out the plan of action.

Ambassador James Stromayer, the U.S. coordinator for the conference, said agreement had been reached between industrialized and developing nations on the need for additional funds to finance the transition from the almost total dependence on oil and other fossil fuels to greater use of alternative energy sources.

"I'm relatively optimistic we can complete the conference with a consensus document," he said. He refused to elaborate, but other conference sources said the agreement would set no target — and would not commit any delegation to a specific pledge to finance the plan of action.

The conference, scheduled to end Friday, is expected to make what Stromayer called "a high-quality statement" on the need to develop alternative energy sources and the "challenges and opportunities" of the energy transition.

The conference has been focusing on 14 non-conventional energy sources which currently meet 15 percent of the world's energy needs.

The plan action, which must be approved

at a plenary meeting Friday, calls for assessment of energy resources, especially in Third World countries, and formulation of national energy strategies. It also calls for international cooperation in research, development and demonstration activities in the field of new and renewable energy sources.

To meet energy needs in the rural areas, the plan calls for a five-fold increase in the annual rate of fuelwood planting and improved conservation of forestry resources. It urges development of more efficient low-cost stoves and charcoal processes, improved equipment for draught animals, and development of new processes to generate energy from manure and other organic materials.

To meet energy needs in the urban and industrial areas, the plan calls for wider use of solar heating and cooling systems, expanded use of geothermal and hydropower, and implementation of programs using urban and industrial wastes to generate energy. To increase the use of new and renewable sources of energy, the plan calls for implementation of education and training programs at all levels and the sharing of information between the developed and developing countries.

A U.N. spokesman said the delegates from more than 125 countries were considering three alternative institutional arrangements to carry out plan of action: An inter-governmental committee open to all U.N. members. An inter-governmental committee attached to the U.N. committee on natural resources. An ad hoc committee with a three-year life-span, which could be renewed.

2% oil price rise seen in '90s

NEW YORK, Aug. 21 (R) — A major U.S. oil company predicts that OPEC prices will rise annually by less than two percent over the rate of inflation for the rest of the century.

The report, prepared by Texaco, was released Thursday. The study predicted stable real prices or possibly some erosion during the early 1980s with a possible resumption in real price growth as the decade progressed, approaching two percent in the

U.K. merchant fleet declining

LONDON, Aug. 21 (AFP) — The British merchant navy, once the biggest in the world, is today declining rapidly.

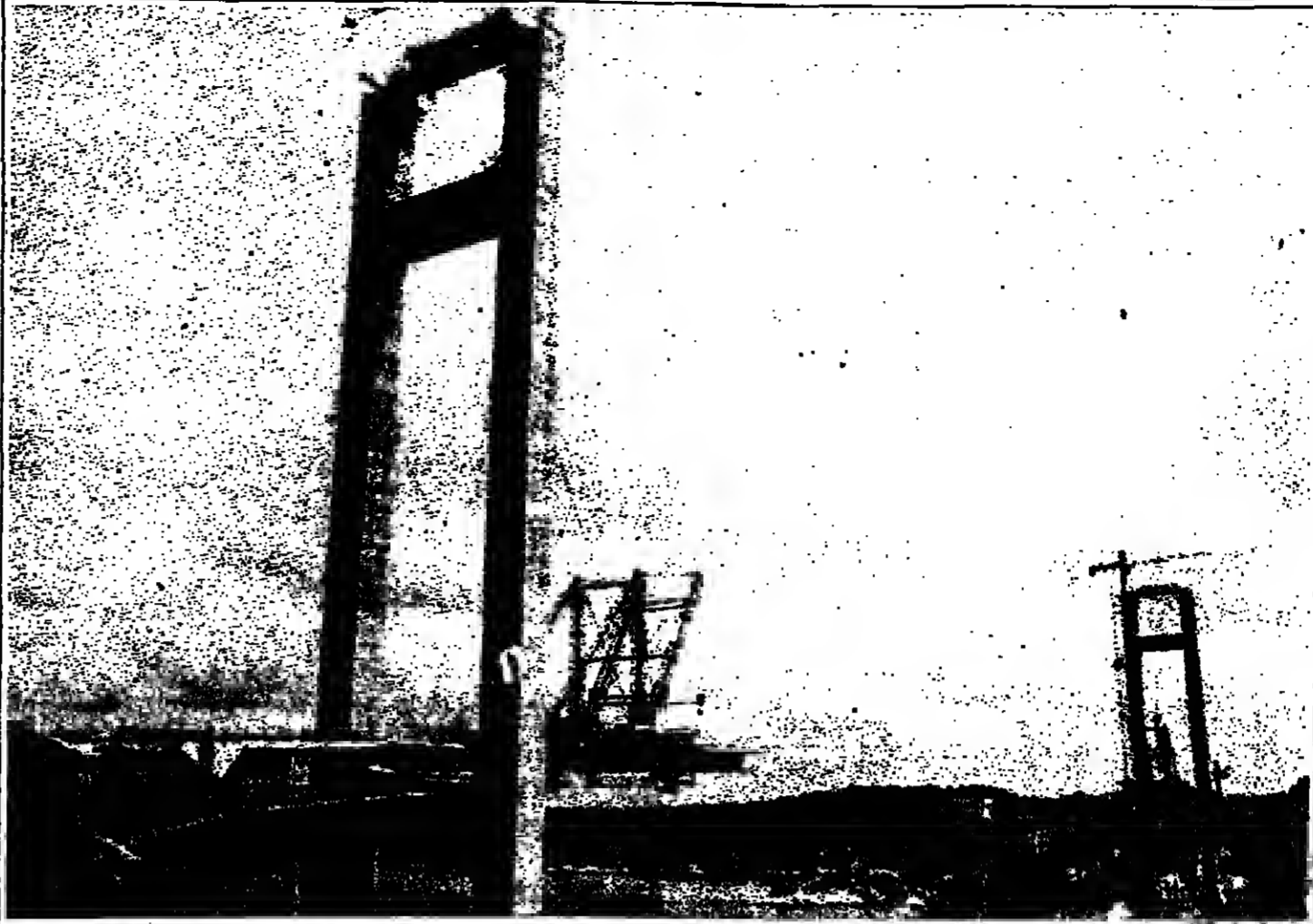
Relegated to third position in the last few years by Liberia and Japan, it comprised at mid-June only 1,087 vessels possessing in all 13,200,000 tons, the lowest figure for 10 years. The British merchant fleet decreased by 2,400,000 tons (6 percent) in the last six months alone and the general council of British shipping

The council believed that, by the end of this year, it risked being reduced to less than 10,000,000 tons, whereas, at its peak in 1975, it exceeded 50,000,000 tons.

1990s. Without 'strict and enforceable production controls' OPEC would be unable to raise prices above those levels, the report said, and even with production controls it was doubtful if higher price growth could be attained. The Texaco projection is even lower than other recent forecasts, including one by Chase Manhattan Bank's energy economics group, which said real oil price increases would average about three percent above inflation through the 1980s.

The Texaco report predicted that free world energy consumption would increase from the present daily level, equal to the energy contained in 95 million barrels of oil, to 150 million barrels in the year 2000. But it said oil's share of the free world energy market would fall from 52 percent in 1980 to under 40 percent in 2000 as alternative forms of energy sources were found.

The study also said non-OPEC oil production would climb to over 23 billion barrels per day (BPD) in 2000 from 1980's 18 billion BPD. This would limit OPEC exports to less than 25 million BPD up to 2000, the report said. Texaco said total OPEC production would remain below the peak 1978-79 levels of about 30 million BPD well into the 1990s and then increase to about 34 million BPD by 2000 because local demand in OPEC nations was expected to increase fourfold.



NEW TJOERN BRIDGE: This is the semi-general view of the new Tjoern bridge crossing the Askeros fjord in Sweden which is under reconstruction. The old one collapsed when it was rammed by the Liberian freighter, Star Clipper, in January last. The new 2,500-ton bridge hangs on two 165 meters high concrete pylons. It will be inaugurated in December 1981.

Discounts U.S. forecast

Russia hopeful of topping 1980 grain output

MOSCOW, Aug. 21 (R) — Soviet agricultural sources estimated Friday that this year's grain harvest would exceed substantially the 1980 crop of 189 million tons.

It was too early to predict a final figure because harvesting was still going on, the sources said. But official field reports suggested that the grain harvest had not been as badly hit by this year's hot, dry spell as it was by the rainy weather of 1980, they said.

However, the sources did not appear to be ruling out the possibility that the harvest would fall well short of the 1981 target of 238 million tons. The United States agricultural department has predicted a Soviet crop of 185 million tons, which would be Moscow's third disappointing harvest in a row.

This could force the Soviet Union to buy heavily on the world grain market to support its livestock industry. Western agricultural sources in Moscow have predicted that Soviet meat production will fall below plan, exacerbating existing meat shortages in cities outside Moscow.

The Soviet sources said that, although the grain crop was damaged during the two-month heatwave in the European part of the country, the U.S. prediction appeared to

overestimate its effects. Winter grain varieties had ripened and been harvested earlier than usual in many areas and escaped the worst of the dry weather, they said.

Earlier this month in Vienna, Soviet and U.S. officials agreed to a one-year extension of an agreement under which the Russians buy at least six million tons of U.S. grain. With the U.S. grain harvest reaching near-record levels this year, the Vienna agreement is expected to lead to large Soviet purchases from American farmers, possibly as much as 25 million tons.

Yet the Kremlin has been trying to reduce its heavy dependence on the U.S. for grain since last year's embargo on Soviet purchases by then President Jimmy Carter after the Soviet military intervention in Afghanistan. The embargo was lifted in April by President Reagan.

The poor Soviet harvest will deepen the gloom among Soviet agricultural planners, fighting with few signs of success to fulfill the Kremlin's goal of becoming less dependent on foreign grain.

For if the U.S. predictions of a 50-million-ton deficit in the 1981 harvest prove correct, it will mean that actual production over the

past three years has fallen short of government targets for the period by a total of nearly 150 million tons.

As in the past two years, the official media have blamed the poor harvest on the weather. Previously, the culprits have been late snow or early frosts. This year it was scorching summer heat in the country's European region for almost the whole of June and July. Newspapers said the heat had caused much of the ripening winter wheat to dry out and begin to wither before it was ready for cutting.

In some places entire fields of wheat were reported to have burst into flames spontaneously in the blistering heat, or had been enveloped in spreading heath and forest fires. But drought and heat were not the only problems. Fierce thunderstorms in the Ukrainian and southern Russian regions and typhoons and floods in the Soviet far east, have played havoc with crops.

Hot weather in the important southern grain-growing republic of Kazakhstan has made the spring crop ripen much earlier than usual and harvesting has already begun. The official media say this means serious problems with supplies of equipment.

Tractors and lorries are freighted down to Kazakhstan from the European region when the northern harvest is over. When the two overlap, as happened this year, there are no reserves to fall back on. Poor harvests are the rule in the Soviet Union rather than the exception, and the crop total has exceeded 20 tons only three times in the past decade.

Japan's car sales pick up in July

TOKYO, Aug. 21 (R) — Vehicle shipments by Japan's biggest manufacturers picked up last month, but were still down on a year ago as export curbs bit into their share of the West European and United States car markets.

Toyota, Japan's largest vehicle producer, said Friday its July shipments fell for the third consecutive month compared with a year earlier, by 7.7 percent, while those for Nissan, maker of Datsuns, were off 1.7 percent. Both said that compared with June, exports in July increased 8.7 percent for Toyota and 5.9 percent for Nissan, bringing last month's total shipments to 149,300 and 130,000 respectively.

Toyota exported 1.06 million vehicles in the first seven months of 1981, down 0.9 percent from the same period of 1980, while Nissan's total exports were 884,100, up 0.3 percent. Although the drop in exports to the U.S. last month was fairly small compared with a year ago — down 0.7 percent at 60,500 for Toyota and down 1.7 percent at 58,300 for Nissan — shipments to West Germany and Britain fell sharply.

Nissan said its sales to Britain dropped 51.4 percent from a year ago to 3,200 while Toyota's rose 4.4 percent to 3,200 from a year ago. Toyota exports to West Germany declined 53.6 percent to 3,200, while Nissan sales there were up 6.5 percent to 4,000.

Exports to Canada, to which Japan earlier this year agreed to limit car shipments, rose sharply in July. Toyota exported 8,000 vehicles, up from 2,400 a year earlier, and Nissan

Foreign Exchange Rates

Quoted at 5:00 P.M. Thursday

	SAMA	Cash	Transfer
Bahraini Dinar	—	9.07	9.08
Bangladesh Taka	—	—	14.50
Belgian Franc (1,000)	—	—	81.50
Canadian Dollar	—	—	283.00
Deutsche Mark (100)	—	138.25	137.85
Dutch Guilder (100)	—	124.50	124.20
Egyptian Pound	—	3.88	4.15
Emirate Dirham (100)	—	92.50	92.15
French Franc (100)	—	57.80	57.65
Greek Drachma (1,000)	—	57.00	56.80
Indian Rupee (100)	—	—	38.20
Iranian Ryal (100)	—	—	—
Iraqi Dinar	—	—	—
Italian Lira (10,000)	—	27.90	27.70
Japanese Yen (1,000)	—	8	14.95
Jordanian Dinar	—	100.10	100.05
Kuwaiti Dinar	—	12.010	12.08
Lebanese Lira (100)	—	73.00	71.55
Moroccan Dirham (100)	—	59.00	61.55
Pakistan Rupee (100)	—	34.75	34.65
Philippine Peso (100)	—	—	43.45
Pound Sterling	—	6.37	6.345
Qatari Riyal (100)	—	93.00	94.05
Singapore Dollar (100)	—	—	138.10
Spanish Peseta (1,000)	—	159.00	158.45
Swiss Franc (100)	—	57.50	63.35
Turkish Lira (1,000)	—	—	—
U.S. Dollar	—	3.43	3.425
Yemeni Riyal (100)	—	74.25	74.85

	Selling Price	Buying Price
Gold kg.	47,350.00	47,150.00
10 Tola bar	5,665.00	5,465.00
Ounce	1,500.00	1,450.00

The above cash and transfer rates are supplied by Al-Rajhi Company for Currency Exchange and Commerce, Gabel St., Tel: 6426932, Jeddah.

Mexico strikes oil deal with U.S.

MEXICO CITY, Aug. 21 (R) — Mexico is to supply the U.S. government with 200,000 barrels of oil a day from the start of next month to the end of this year, the industrial development ministry announced.

Thereafter, Mexico would supply the U.S. with 50,000 barrels a day until Aug. 31, 1986, the ministry said in a statement Thursday night. The U.S. energy department said, meanwhile, in Washington that the oil was for the strategic petroleum reserve, a stockpile containing 175 million barrels and intended to total 750 million. The purchases from Mexico will total 24 million barrels by the end of the year.

The Mexican statement said the crude would be sold at current official prices subject to a review every three months based on world oil conditions. Mexico's top quality light Isthmus crude currently sells at \$34 per barrel.

IMF team's talks in Cairo conclude

CAIRO, Aug. 21 (R) — An International Monetary Fund (IMF) delegation left Cairo Friday after four days talks on Egypt's request for an extended credit facility of 600 million Special Drawing Rights (\$670 million).

The director of the IMF's Middle East operations, Dr. Abdel-Shakour Shaalan, told reporters the talks were going well and would continue in Washington next month.

The IMF is asking Egypt to rationalize its subsidies policy, which this year will cost the Egyptian treasury about \$2 billion Dr. Shaalan said.

The government pays out politically sensitive subsidies on a wide range of basic commodities such as wheat, flour, cooking gas, sugar an edible oil. Attempts to restrict subsidized goods to the needs have failed in the past.

Egypt needs the IMF money to offset an expected balance of payments deficit caused by a rising import bill and stagnant prices for its oil output, now around 700,000 barrels per day.

A new credit arrangement with the IMF would replace a 1978 agreement which collapsed when the Egyptian government broke borrowing limits set by the fund.

Seoul aims at \$90b GNP in '86

SEOUL, Aug. 21 (R) — South Korea Friday announced an economic development plan for 1982-86 envisaging average economic growth of 7.6 percent a year after inflation, and an expansion on its car and shipbuilding industries.

Growth averaged 5.6 percent a year in the fourth five-year plan ending this year and fell by 5.7 percent during the political turmoil of 1980. The government recently raised the 1981 target to between six and seven percent. The plan, requiring \$46.5 billion in foreign capital, calls for gross national product, the total output of goods and services, to rise to \$90 billion in 1986 from \$57.4 billion last year. This would mean per capita GNP rising to \$2,170 from 1,506.

The country's need for foreign capital will grow to \$10.7 billion in 1986 from \$8 billion in 1980. South Korea hopes to win \$10 billion worth of overseas construction contracts in 1986 against \$8.3 billion last year. It aims to produce 637,050 cars in 1986 compared with 360,000 in 1980, while shipbuilding capacity will increase to six million gross tons a year from four million.

Britain's inflation dips to 10.9%

LONDON, Aug. 21 (AP) — Britain's annual inflation rate dropped to 10.9 percent last month, the lowest it has been since shortly after Prime Minister Margaret Thatcher's government took office, the department of employment reported Friday. The annual rate was 11.3 percent in June.

The steady decline in inflation from a peak of 21 percent in May last year is in line with the government's declared aim of reducing it to 10 percent by the end of this year.

Retail prices in July rose 0.4 percent, mainly due to increases in petrol. Forecasters said inflation could rise next month because price increases now in the pipeline.

London stock market

LONDON, Aug. 21 (R) — Share prices closed steady in low turnover as settlement of the U.K. rail dispute and news of a further slowdown in U.K. retail price increase failed to provide the market with fresh direction, dealers said. At 1500 hours, the forward trading index was down 0.8 at 559.99.

Leading industrials saw falls of a penny to 4p as in Bowater, Lucas, Thorn, Plessey and Hawker, while Bechamo Blue Circle and Tate and Lyle added between 2p and 4p.

Grand Met ended steady at 204p after an early 7p fall following news of the acquisition of Pan Am's hotel chain for \$500 million.

Government bonds were quietly firm, encouraged by the rail settlement and inflation figures, dealers said prices ended firmer by around 1/4 point and dealers noted that the government treasury supplied a small amount of the treasury 11 1/2 1985 short tap at 91 3/4. Gold mining shares closed mixed, but with an easier bias, with weak feature Harties down a net 300 cents at \$56. Oil shares saw falls of 6p to 8p as in bp, Shell and Ultramar, as the OPEC meeting ended without a price change. Banks closed steady, while among leading industrials, ICI, Guest Keen, Courtauld and Distillers all ended unchanged.

SAUDI ARABIAN GOVERNMENT TENDERS

Authority	Description	Tender No.	Price SR	Closing Date
Water & Sewage Dept., Madina	Supply and installation of asbestos, plastic and steel pipes	83	5000	15.8.81
Ministry of Defense & Aviation	Maintenance and operation of Najran force restaurant	—	100	20.8.81

PORTS AUTHORITY JEDDAH ISLAMIC PORT SHIPS MOVEMENTS UPTO 0700 HRS ON 20TH AUGUST 1981/10.10.1401.

Berth	Name of Vessel	Agent	Cargo	Date of Arrival
3.	Iranian Reefer	O.C.E.	Reefer	19.8.81
4.	Eva	Alisabeh	Barley	16.8.81
5.	Golden Bahrain	El Hawi	Gen/Steel/Timber	19.8.81
6.	Lanka Devi	Gulf	Tea/General	17.8.81
7.	Tibeti	A.E.T.	Gen/Tyres/Steel	19.8.81
8.	Maldive Pioneer	O.Trade	Maize/Timber/Gen.	13.8.81
9.	Tricolor	Barber	Cons./General	18.8.81
10.	Five Flowers	S.A.M.A.	Durra	19.8.81
11.	Char Kang	Abdelilah	Cons./Gen/Steel	18.8.81
12.	Bordabros	Zygecinah	Gen/Sugar/Milk Powder	15.8.81
13.	Alasini	Star	Bagged Barley	17.8.81
14.	Fatah Alkhaiir	Baghdadli	Durra	18.8.81
15.	Kota Manis	O.C.E.	Soya/Gen/Steel	4.8.81
16.	Pacific Express	Allreza	Containers	18.8.81
18.	Zesus I	Roloco	Bulk Cement	12.8.81
20.	Tarago	Barber	Gen/Contra.	19.8.81
21.	Adriatic	O.C.E.	Reefer	16.8.81
22.	Passat Universal	Star	Reefer	2.8.81
23.	Poisidon	SSMSC	Timber/Tiles/Gen.	17.8.81
24N.	Alasolabiah	Kanoo	Cement/Steel/Gen/Contra.	15.8.81
24S.	Ifico I	Star	Reefer	17.8.81
25.	Etohu Maru	O.C.E.	Reefer	18.8.81
26.	Grand Faith	Allreza	Contra/Gen./Cement	18.8.81
27.	Hilco Sprinter	Star	Reefer	15.8.81
28.	Kilo	Barneedah	Sugar	13.8.81
29.	Guadalupe	O.C.E.	Reefer	11.8.81
31.	Jerry Everett	O.C.E.	Reefer	16.8.81
32.	Discovery Bay	SAMSCO	Containers	19.8.81
33.	Sittam	Najd	Load Cars	17.8.81
34.	Saudi Venture	O.Trade	Gen/Cables/CONTR./Paper	15.8.81

KING ABDUL AZIZ PORT DAMMAM SHIPS MOVEMENT UPTO 0700 HRS ON 20.10.1401/20.8.1981 CHANGES PAST 24 HRS.

2.	Al Tabeeb	Saite	Bagged Sugar	5.8.81
3.	Halle Pilot	Gulf	General	19.8.81
4.	Rashidin	Barber	Rice	18.8.81
5.	Villa	Gulf	General	19.8.81
6.	Asia Echo	SMC	General	18.8.81
11.	Singapore Island	UEP	Gen/Contra.	11.8.81
14.	Sabina	O.C.E.	General	12.8.81
16.	Princes Report City	Kanoo	Rice/Gen/	20.8.81
17.	Maldiva Prize	Orri	Tiber/Rice	17.8.81
18.	Eastwin Saga	Saite	Gen/Rice	17.8.81
21.	Al Khaled	Kanoo	Sheep/Apples	17.8.81
24.	Nedlloyd Vandierman	Kanoo	Containers	19.8.81
26.	Villa Of Arrives	Barber	Containers	19.8.81
28.	Hongkong Island	UEP	General	17.8.81

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AL MUBARAKIAH	20-8-1981	Dammam
THEEKAR	22-8-1981	Dammam
AL SHAMIAH	23-8-1981	Dammam
IBN KHALLIKAN	25-8-1981	Dammam
FATHULKHAIR	21-8-1981	Jubail
IBN DURAI	22-8-1981	Jubail
IBN KHALLIKAN	24-8-1981	Jubail
AL SHAMIAH	15-8-1981	Jeddah
AL SOLAIBIAH	17-8-1981	Jeddah
TABUK	20-8-1981	Jeddah

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P.O.B. 122

With Evans' two-out, two-run double

Red Sox halts A's winning run

NEW YORK, Aug. 21 (AP) — The Boston Red Sox ended Oakland's winning streak of five games Thursday night, rallying from a 4-3 deficit for a 6-4 victory with three runs in the eighth inning, keyed by Dwight Evans' two-out, two-run double.

Dennis Eckersley, 6-5, pitched Boston to its first victory in four games, allowing eight hits in seven innings. Mark Clear pitched two hitless innings for his fourth save.

Losing pitcher Steve McCatty, 8-5, struck out the first batter in the eighth, but Dave Stapleton then singled. One out later, McCatty walked pinch-hitter Joe Rudi and

was taken out of the game. Reliever Bob Owschinko walked Jerry Remy to load the bases, and Dave Heaverlo came in from the bullpen to face Evans, who singled to right field on an 0-1 pitch. Jim Rice drove in the third run of the inning with a single to center.

In other American League action, Geoff Zahn earned his first victory since the strike ended, scattering nine hits over nine innings as the California Angels downed the Baltimore Orioles 6-2. Brian Downing drove in two runs with a pair of singles for California. Alan Bannister's two-out, run-scoring single in the top of the 14th inning boosted

the Cleveland Indians to a 6-5 victory over the Seattle Mariners. Mike Hargrove and Chris Bando singled with one out, and, one out later, Bannister followed with his game-winning single. Bando was thrown out trying to advance to third on the hit, but the winning run had already been scored.

In the night's only National League game, Phil Niekro earned his fifth victory of the season, and Glenn Hubbard homered and drove in a pair of runs to pace Atlanta to a 6-4 victory over the New York Mets. The Braves now have won seven of their first 10 games since the players strike ended.



SHOCK VICTORY: Vitas Gerulaitis bends to reach the ball as he went on to force second-seeded Jimmy Connors' early exit from the ATP tourney Thursday.

On a day of upsets

Gerulaitis ousts Connors

MASON, Ohio, Aug. 21 (AP) — Top-seeded John McEnroe breezed through the third round of the \$200,000 Association of Tennis Professionals Championships Thursday evening in a day that saw several upsets. McEnroe downed Brian Gottfried, the 10th seed, 6-3, 6-2.

In afternoon games, second-seeded Jimmy Connors and fourth-seeded Roscoe Tanner were upset. Connors lost to ninth-seeded Vitas Gerulaitis in straight sets, 7-5, 7-6. Tanner was ousted by Thierry Tulasne, an 18-year-old Frenchman, 1-6, 7-6, 6-3.

Tulasne, who lives in Paris, was Wimbledon juniors champion last year. He has been one of the surprises of this week's tournament at the Jack Nicklaus Sports Center near Cincinnati, despite reaching the quarterfinals of three European tournaments this year, the semifinals in the U.S. Pro Indoor Championships and winning the Swedish Open.

The Connors-Gerulaitis match was punctuated with disputed calls, during the second-set tiebreaker. Gerulaitis halting play until a tournament official ordered that a point be replayed.

Connors, who joked with spectators and writers while breezing through his first two matches, was sulen after the loss.

"I probably could have played better if things had gone smoother the whole match," Connors said. But he declined to elaborate on questions about his play. "I don't know," Connors said. "You saw the match."

When asked if he was angry at himself, the officials or something else, he snapped. "It's nobody's business." He said the loss wouldn't affect his confidence going into the U.S. Open, which is just over a week away.

In other afternoon matches, twelfth-seeded Bob Lutz defeated Rick Fagel 6-1, 6-4, and 16th-seeded Stan Smith outlasted

Tim Gullikson, 7-6, 3-6, 6-3.

The Canadian open too, saw three seeds eliminated Thursday — one by an upset, another as expected and a third through controversy.

Seventh-seeded Wendy Turnbull of Australia was upended by South African Rosalyn Fairbank 6-4, 6-1. Third-seeded Andrea Jaeger of the United States beat 10th-seeded Mima Jausovec of Yugoslavia 6-4, 6-3.

Eighth-seeded Pam Shriver of the U.S. was leading 5-0 in the final set over 12th-ranked Bettina Bunge of West Germany, who then retired because, she said, she was tired — though apparently upset after two disputed calls in the second set. Bunge had won the first set 7-6 and Silver the second 7-5.

Three other seeds advanced uneventfully into the quarterfinals with No. 1 seed Chris Evert-Lloyd dominating fellow American Kate Latham 6-3, 6-2. Fourth-ranked Martina Navratilova of the U.S. swept Duk Hee Lee of South Korea 6-3, 6-1. Sixth-rated Sylvia Hanika of West Germany beat Deborah Jevans of Britain 6-1, 6-2.

Bunge, who won the first set in a 9-7 tiebreaker, had her first dispute with the officials in the fifth game of the second set when she was serving and leading 40-15. Bunge hit a ball the linesman ruled good. But the call was immediately overruled by the umpire, who said it was long. The reversal seemed to bother Bunge, who made three straight unforced errors to lose serve.

"I thought the ball looked good," said Shriver. "But then I looked up into the stands at my coach (Don Candy), but he said it was just out."

"I admit the officiating wasn't the best, but it was exaggerated by the closeness of the match. I guess it was a tough match to call."

East German athletes off to fine start

UTRECHT, Aug. 21 (AFP) — East German youth were off to a dazzling start in the European Junior Athletic Championships, winning four of five scheduled finals of the opening day of competition here Thursday.

Ralf Kowalski powered through the men's 10 km walk in a time of 39:56.3, finishing a full 1 min 43 secs ahead of the Soviet Union's Alexander Potachev.

In the women's long jump, 17-year-old Heike Daute leapt a mighty 7.02 meters, aided by strong winds of four meters per sec. for another East German victory.

East Germans also captured both men's and women's 100 meters events. Thomas Schroeder, winner at the last junior championships in Duisburg two years ago, tore down the track in a time of 10.14 secs. Winds of 3.6 meter per sec prevented his run from counting as the world's sixth best of the season.

Powerful Katrin Bohme clocked 11.33 in the women's 100 meters, ten hundredths of a second ahead of British girl Shirley Thomas.

A Bulgarian, Kamen Dimitrov, won the men's discus final with a throw of 56.62 meters, followed by East Germany's Thomas Christel with 56.12.

Viren, back on track

In Drivesi, Finland, Finland's Lasse Viren, winner of the 5,000 and 10,000 meters at both the Munich and Montreal Olympics, came out of retirement to finish eighth and last in a 3,000 meters race at a meeting Thursday.

Viren announced his retirement from active competition last year at the age of 31, but has not discounted persistent rumors that he hopes to run at the 1984 Los Angeles Olympics, probably in the marathon. He was fifth in the marathon at the 1976 Montreal Games.

He left his future open Thursday night. He had warned reporters his result could be mediocre and told them after the race: "We shall just have to wait and see."

Results 1. Anton Selvaggio (Italy) eight minutes 02.2 seconds; 2. Franco Boffi (Italy); 3. Kaurio Maaninka (Finland); 4. Franco Musari (Italy); 5. Modesto Bonan (Italy); 6. Alessio Faustini (Italy); 7. Franz Spies (Italy); 8. Lasse Viren (Finland).

Ovett to wed

It was learnt in London, that 1,500-meter world record holder Steven Ovett is to marry Rachel Hapler next month. But the shy athlete is determined to keep the ceremony private.

A member of Rachel's family said at her home in Maidstone, Kent, that the marriage was due to take place in Ovett's home town Brighton Sept. 16.

Ovett, 25, and Rachel have been friends for many years. Rachel is a former Kent club athlete. She was the object of "love you" signs the runner made toward television cameras after winning the Olympic 800 meters gold medal in Moscow last year.

Monkey business at Test

Howzat for a piece of sporting history! Apeman meets Batman on the pitch at Old Trafford. It's living proof that cricket has entered the silly season.

England's Geoff Boycott is actually shaking hands with a youth in gorilla suit. And in a Test match too! The incident took place during the fifth Test between England and Australia Sunday.

The youth ran on to the pitch and made a beeline for the former England captain, Ian Botham, during Australia's second innings.

Australian century-maker, Graham Yallop tried to fend off the 'beast' with his bat, but it dodged him and shook Botham by the hand, to the huge amusement of the 20,000 crowd.

Inside the hairy outfit was textile worker Trevor Thorne 21, from Basingstoke, Hants, who thought a pitch invasion seemed a good idea at the time.

The great ape jape did not go unnoticed by Botham, who has been nicknamed "Guy the Gorilla" after a fancy dress stunt.

Earlier, two men strolled on to the pitch, and removed the balls as the players watched dumbfounded. They were later arrested and bailed of course.



In nail-biting finish

Phillip fumbles as Derby stumbles into final

DERBY, England, Aug. 21 (AFP) — A moment of panic by West Indian Norbert Phillip put Derbyshire through to the final of the Natwest Trophy instead of Essex in a nail-biting finish, at Derby Thursday.

Derbyshire needed just one run from the final ball to level the scores and qualify to meet Northamptonshire at Lords on Sept. 5, by virtue of losing fewer wickets.

Derbyshire's 22-year-old paceman, Paul Newman, played the ball firmly back down the pitch to the bowler, Phillip, and set off for what should have been an impossible run.

Phillip gathered the ball but his fierce throw at the stumps, from less than five yards, was well wide. He could so easily have rolled the ball at the wicket or lobbed to a fielder stationed to run the batsman out.

Earlier, when Derbyshire still needed five for victory, Phillip bowled a reckless long-hop that was despatched by Newman for a crucial four.

Afterwards, Essex captain Keith Fletcher admitted: "We lost it on those two balls. Nobby feels terrible about it, he is crying his eyes out. But I don't want to see him get all the blame, because on the first day of this match he did so much to keep us in it."

The 23-year-old Dominican had top score of 42 in Essex' 149 all out from 60 overs. Phillip also grabbed the vital wickets of South African Peter Kirsten, Kim Barnett and Barry Wood as Derbyshire made heavy weather of chasing a modest target on a pitch that had eased considerably overnight.

Opener Alan Hill spent 40 overs scoring 21 runs the innings was held together by Barnett who came on with his 30 for 4 and scored 59 to earn him the "man-of-the-match" award.

His brilliant run out to dismissed Ken McEwan on Wednesday must have figured on the adjudicators' mind as well as his partnerships off 4 and 41 with Hill and Barry Wood.

Barnett was out at 132 for 7 and Colin Unnicliffe soon followed. But 40-year-old Taylor and the young Newman put their heads together to see Derbyshire home at 149 for 8.

At Leicester, Australia beat Leicestershire in their 55 overs-a-side match at Grace Road, thanks to pace bowlers Rodney Hogg, who took three for 39, and Terry Alderman (two for 32).

Australia had earlier reached the modest total of 213-8 with Trevor Chappell making

the top-score of 63 before being run out after a mix-up with his opening partner, John Dyson. Dyson went on to make 44 before becoming one of Jonathan Agnew's four victims.

Leicestershire's reply was hampered by the fact that captain Roger Tolchard was unable to bat because of a broken finger, sustained while fielding in the morning session.

The home side were nevertheless given a solid start by Chris Balderstone and Nigel Briers before Hogg and Alderman struck. Alderman had Balderstone caught behind for 14 and then gained the prized scalp of England batsman David Gower for 10.

Despite 24 from wicketkeeper Mark Garham, Leicestershire were unable to reach their modest target, finishing all out for 145 after 46.4 overs, leaving Australia decisive winners by a 68 run margin.

Brief scores: At Derby: Essex 149 (N. Phillip 42, K. McEwan 28, P. Newman 3 for 26). Derbyshire 149 for eight (K. Barnett 59).

At Leicester: Australians 213 for eight (T. Chappell 63, J. Agnet for 58). Leicestershire 145.

At the Oval: Ireland 190 and 155. Surrey 351 (I. Payne 91, A. Butcher 88).

New format for split-season playoffs

NEW YORK, Aug. 21 (AP) — Major league baseball announced a new split-season playoff system Thursday, with the runners-up in the post-strike season advancing to the divisional playoffs if the same team wins both halves.

An announcement, made by Commissioner Bowie Kuhn, American League President Lee MacPhail and National League President Chub Feeney, said this eliminated the possibility that a team might qualify for the playoffs by deliberately losing games.

Both the original split-season format — conceived at the end of the 50-day players' strike — and the new plan call for division winners in each half of the season to meet in a best-of-five divisional playoff. The New

York Yankees, Oakland A's, Philadelphia Phillies and Los Angeles Dodgers, all first-place teams on June 12, when the strike began, were declared first-half winners.

The division playoff victors will advance to the League Championship Series. The survivors go on to the World Series.

The original plan called for the team with the second-best percentage for both halves of the season to qualify for the playoffs if the first-half division champ also won the second half. But in some circumstances, a team could benefit by losing.

A first-half runner-up, say the Baltimore Orioles, might be too far behind in the second-half to win that portion of the division race. But, by intentionally losing games to the Yankees, the Orioles could help ensure that New York wins the second half,

too. If the Orioles wound up with the second-best overall percentage in the division, they would make the playoffs.

The new format calls for the second-half runner-up to host the double-winner in the first game of the divisional playoffs. The next four games would be played at the field of the two-time division champion.

"The adjustment of the division series was made solely to eradicate any possible question of integrity, which must be preserved at all times," said Major League Baseball's statement. "There was no intention of changing the basic split-season format."

The divisional playoffs will start Oct. 6, with the League Championship Series opening Oct. 13 and the World Series scheduled to begin Oct. 20.

Archibald doubtful for opener

LONDON, Aug. 21 (AP) — Scottish international striker Steve Archibald faces a little fitness test before Tottenham manager Keith Burkinshaw decides whether to include him in the team to face Aston Villa in the F.A. Charity Shield at Wembley Stadium Saturday.

Archibald has an ankle injury and has only a 50-50 chance of playing in the prestige opener to the English soccer season.

There is also a doubt about the fitness of Falco, who is the replacement for cartilage victim Garth Crooks. Falco is suffering from a painful groin strain.

With reserve striker Terry Gibson playing in Sweden, Burkinshaw will be forced to switch defender Steve Perryman to attack or gamble on Chris Jones, who has not played a competitive match for 10 months, if Archibald or Falco fail to pass their fitness tests.

It is a ridiculous situation with not one single experienced front player available in the club, said a frantic Burkinshaw. With so many people at Wembley we wanted to put on a great show, but maybe now we will be forced to lower our sights.

Ray Clemence, Tottenham's new signing from Liverpool, takes over from Millja Alekic in goal, but there is no place for Welsh international Pail Price, signed from Luton during the close season.

At 33 years of age the England international goalkeeper already has won just about every trophy worth winning, but being transferred from Liverpool to Tottenham has, he says, revitalised him.

When you are moving from Liverpool you've got to be very lucky if one of the other top clubs come in for you. I wanted to join a club where I could continue to win things and think there is the potential for that with Spurs, he said.

I realise I can't repeat the success I had at Liverpool, but I do want to be part of a suc-

cessful side that wins trophies. Burkinshaw's youthful team proved its potential by winning the F.A. Cup last season.

Burkinshaw sees Clemence having a crucial influence. He is a very commanding player. Already we have noticed that he likes to organize the defense, said the Tottenham boss.

Frank Stapleton to sign for United

LONDON, Aug. 21 (AP) — Arsenal soccer striker Frank Stapleton will sign for Manchester United Friday for a fee of 1.1 million pounds (\$2 million), United manager Ron Atkinson announced Thursday afternoon.

The transfer fee, which was the subject of dispute between the two clubs, was fixed by the Football League Appeals Committee.

Atkinson flew home from his club's tour of Norway to represent United at the football league meeting, which threw out Arsenal's 2 million pound valuation of the Irish international forward.

"I am very happy to have the whole thing dealt with," said Atkinson.

Stapleton said: "If everything goes okay, I hope to play in a friendly against Blackburn on Monday. I have not signed anything yet but I see no problem."

He is scheduled to sign a contract at Old Trafford Friday morning.

Ray sees his role as that of a fifth man in the back line, a sort of goalkeeper-cum-sweeper, and that is fine by me.

Clemence is now in his 17th season as a professional and Saturday sees him playing in his sixth Charity shield.

Bob Paisley, his former manager at Liver-

pool, has no doubts he will continue to play as well as ever for his new employers. I know just how valuable he will be, said Paisley. He has a good few years left in him as a top goalkeeper.

Now his very presence in goal for Tottenham should help players who would not dream that a keeper could do so much for them.

Clemence has always been consistent — and lack of consistency was a major problem for the talented individuals of Tottenham last season. Last season we showed we could play well and other times we looked like mugs, admitted Burkinshaw.

It is to Clemence and Price that Burkinshaw will be looking at correct that failing. Meanwhile, British soccer personality Jimmy Hill, who invested heavily in the financially troubled Washington Diplomats soccer club, denied Thursday that he lost "all the family money" in the venture.

Arriving home from the U.S., where he tried to find a buyer for the Diplomats, Hill called American reports of his loss "unscrupulous."

"I have never been a millionaire and I have never been broke," he told reporters, while refusing to say how much cash is involved in his "considerable stake" in the Diplomats. Hill is chairman of England's Coventry City Soccer Club, which says it also put "sizeable" money in to the Diplomats.

Hill, a former player, talks soccer for the British Broadcasting Corp. He said he lives on his income from the BBC and he never got much money when he was a soccer adviser in Saudi Arabia.

"All the money I earned in Saudi Arabia went in fact as an investment to America, and it's that money that people are saying I have now lost. I used it in the States because I would have paid 98 percent tax if I brought it back here," he said.

Irwin, Aoki share top spot in Buick Open

GRAND BLANC, Michigan, Aug. 21 (AP) — Hale Irwin and Japanese star Isao Aoki each shot 7-under-par 65 Thursday to share the first-round lead in the \$350,000 Buick Open Golf Championship at Warwick Hills.

Aoki, 38, who has qualified for next week's World Series of Golf as winner of the Japanese order to merit, made the turn in 32 and came back with a 33 on the back nine over the 7,001-yard layout in this rolling community near Flint.

The 6-foot, 170-pound native of Yokohama, Japan, who just earned his PGA tour card this past March, has earned \$38,705 in the nine U.S. tournaments he has entered, but still is seeking his first victory in this country.

Aoki's toughest challenge Thursday came on the 491-yard, par-5 13th where he drove into the opposite fairway and had to use successive wedge shots to come back over a big tree, then onto the putting surface where he rammed home a 10-foot putt for a birdie.

"I was a little tired after traveling here from the Irish Open," Aoki explained. "But I caught my breath in the practice round. I putted well Thursday, and I feel confident."

Irwin, 36, the two-time U.S. open winner

who won the Hawaiian Open earlier this year, went out in 33 and shot 32 on the back nine.

After watching the assault on the firm greens under near-perfect weather conditions, Irwin flatly predicted that the tournament record of 14-under-par set by Julius Boros in 1963 would be broken this week.

"I don't think you can go to the bookie and make a safe bet at all right now on who will win this tournament, but if this weather holds, I think I can kiss that record good-bye," Irwin said.

Canadian Dan Halldorson was one stroke behind the leaders with a 34-32 — 66. Dave Hill, the 1969 Buick Open winner, was tied at 5-under 67 with Bill Loeffler, the 25-year-old pro from Colorado whose best finish this season was a tie for 32nd at Quad Cities last month.

Defending champion Peter Jacobsen was in at 4-under 68 along with Bill Kratzert, Calvin Peete and Roger Maltbie.

The winners of three of golf's four major events are shooting for the \$63,000 first-prize here, but were well back of the leaders. British Open champion Bill Rogers and U.S. Open titlist David Graham each had 2-under

70, while PGA champ Larry Nelson shot a 2-over 74. U.S. senior king Arnold Palmer was in at 5-over 77.

Eamonn Darcy shines

Meanwhile, Irishman Eamonn Darcy scored a course record breaking nine-under-par 63 to take the first round lead in the 90,000 pound (\$175,000) Benson and Hedges International at Fulford.

Darcy, 29, carded an eagle and eight birdies and boosted his chances of being included in the European Ryder Cup squad to face the United States at Walton Heath in September.

The Irishman's brilliant round gave him a three stroke lead over American challenger Tom Weiskopf, defending champion Graham Marsh of Australia, Tony Jacklin of Britain, Argentine Vicente Fernandez and the consistent West German Bernhard Langer. Scores were low and more than 50 players recorded par or better.

Leader Darcy currently is 12th in the Ryder Cup points table and needs to move up two places to earn an automatic berth. He knows he needs to finish in the first three here to do that. "I would probably not be given one of the two wild cards if I finished 11th or 12th," he said.

Caponi set for honors

In Shaker Heights, Ohio, Donna Caponi, driving with a three-wood to keep the ball in good position, shot a 2-under-par 70 to take a one-stroke lead after the first round of the \$150,000 World Championship of Women's Golf.

The 36-year-old Caponi can become the game's all-time money winning champion if she earns the first prize of \$50,000. She would bypass the sport's only other millionaire, Kathy Whitworth, with career earnings of more than \$1,032,000.

Despite ideal playing conditions, South African Sally Little was the only other golfer in this select international field of 12 to break par of 72 on the Shaker Heights Country Club course. Little shot a 1-under-par 71.

Defending champion Beth Daniel was among four players who equaled par. Joining her in a tie for third place were Jan Stephenson, last week's winner at Dallas; Nancy Lopez-Melton, and Amy Alcott.

Pat Bradley, the U.S. women's Open Champion and the leading money winner of this year, registered a 73 and was the only other close contender for Caponi.

BRIEFS

LAUSANNE, Switzerland, (R) — Juan Antonio Samaranch, President of the International Olympic Committee (IOC), has asked the U.S. Olympic Committee to intervene against the South African Springboks Rugby Union team's planned visit to the United States, an IOC spokesman said Friday. The Ethiopian IOC member, Ydnekatchen Tessema, said in Addis Ababa that African nations would press for the 1984 Olympics to be switched from Los Angeles unless the U.S. cancelled visas granted to the South African team.

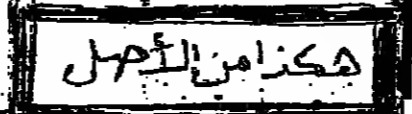
AMSTERDAM, (AFP) — Police arrested more than 100 football supporters here Thursday night as fans ran wild following a match between Dutch football giants Ajax Amsterdam and Feyenoord of Rotterdam. After the teams drew 1-1 fans roamed the streets overturning cars and smashing windows. A bus was completely destroyed.

MEXICO CITY, (AP) — A U.S. player, a Russian and an Australian were tied for the lead in the World Junior Chess Champ-


ionship after winning their second matches. Aay Whitehead of the United States defeated Simon Agdestein of Norway on Wednesday night to gain his second point of the 46-nation tournament for players 20 years of age and younger.

ATLANTA, Georgia, (AP) Gilles Moretton, a 23-year-old pro from Paris, upset seventh-seeded Phil Dent, 31, 7-5, 6-4 to win a spot in the quarterfinals of the \$75,000 Atlanta Journal-Constitution Tennis Tournament Thursday night.

SHAKER HEIGHTS, Ohio, (AP) — John Laupheimer, a former official with the U.S. Golf Association, has been named to the newly created position of executive director of the Ladies Professional Golf Association. Laupheimer, 50, originally from Philadelphia will assume his new duties Oct. 1. He eventually will take over all administrative responsibilities of the Women's golf organization, LPGA Commissioner Ray Volpe said during the first round of the World Championship of Women's Golf at Shaker Heights Club.



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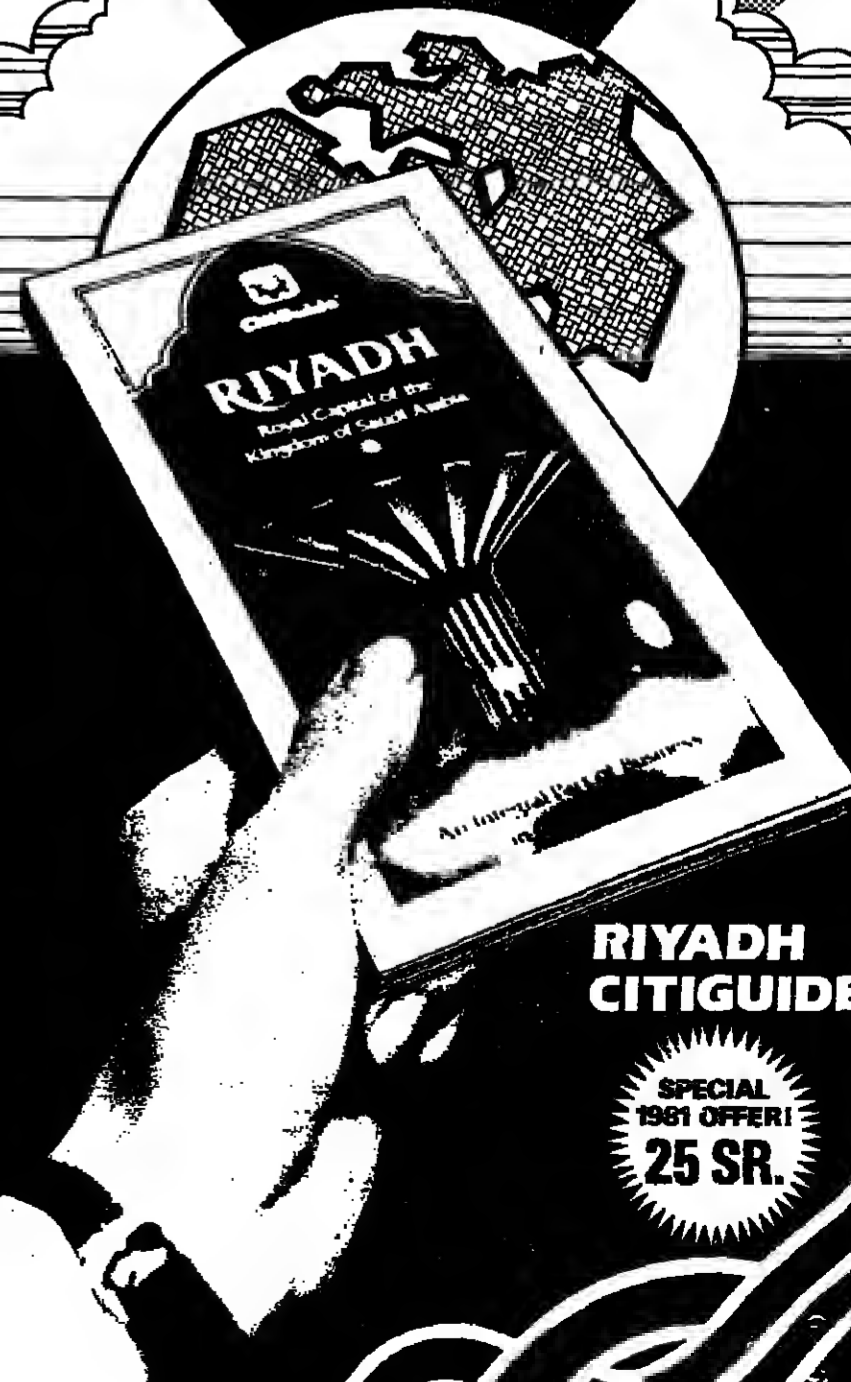


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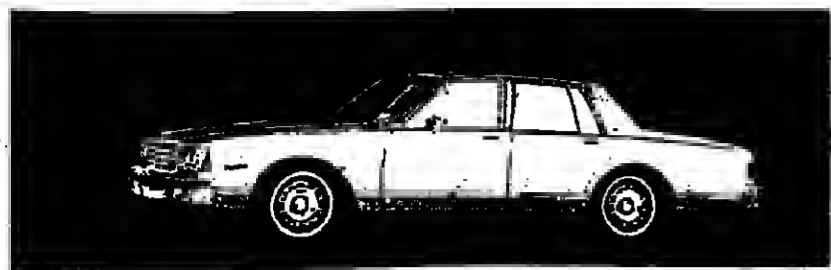
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Prisoners' nominee wins Irish election

BELFAST, Aug. 21 (Agencies) — Owen Carron, the Irish nationalist candidate selected by supporters of IRA hunger striker Bobby Sands, was declared the winner Friday in a special election for the British parliamentary seat left vacant by Sand's death in May.

Carron, who was Sand's election agent when the Irish Republican Army guerrilla won the seat in April, defeated his only clear rival, Protestant Kenneth Maginnis, by a 2,230-vote majority.

The voting took place Thursday in the border district of Fermanagh and South Tyrone.

The turnout was 88.2 percent, 1.5 percent more than the heavy 86.7 turnout in April, favoring Carron in a constituency with a 4,000 to 5,000 majority of Catholic voters. Carron polled 31,278 votes against 29,048 for his Protestant rival, election officials announced.

The election result was greeted by jubilant cheers from a crowd of about 200 Carron supporters who gathered outside the election offices. Inside, Carron said his election was a major boost for the hunger strikers whom he called prisoners of war.

Carron, a 28-year-old unemployed school teacher, ran on an anti-H block ticket as a "proxy political prisoner" on behalf of the 420 IRA and other nationalist prisoners at the Maze.

He was selected after Prime Minister Margaret Thatcher's government tightened an electoral loophole which had permitted Sands to run for office, and said he will not take up his seat in the House of Commons.

Maginnis, a former major in the British Army's locally recruited Ulster Defense Regiment, is an official unionist. He had been given an even chance of winning the seat because of the candidacy of two moderate Catholics — Thomas Moore of the Workers Party Republican Clubs and Seamus Close of the Alliance Party — but their presence failed to divert support from Carron.

The election was seen as a test of continued popular support for the hunger strike and Catholic opposition to British rule in Northern Ireland.

Carron's campaign was helped at the last minute by the death of the latest hunger striker — Michael Devine, 27, a founding member of the Irish National Liberation Army, an IRA affiliate, became the 10th Maze inmate to be carried out in a coffin when he succumbed Thursday morning after 60 days without food. He will be buried in his hometown of Londonderry Saturday.

Devine's death was followed by a wave of street violence in Republican areas of Belfast and his home town Londonderry in which three British soldiers and a policeman were injured. Police said they had discovered a store of 576 petrol bombs and 50 gallons of sulphuric acid ready for use in Belfast, but security sources said the level of violence was decreasing with the death of each hunger striker.

Relatives of one hunger striker, 25-year-old Patrick McGedown, Thursday night gave consent for doctors to attempt to save his life.

Japan seaman gets \$374,000 from U.S. Navy

OSAKA, Japan, Aug. 21 (R) — The family of a Japanese seaman killed when his ship sank after a collision with a U.S. Polaris missile submarine four months ago accepted an \$86 million yen (\$374,000) compensation payment in an out-of-court settlement reached here Friday.

The agreement, the first reached in the accident, was signed by Cmdr. W.H. Ee of the U.S. Navy and the family of Sumio Matsunaga, one of the crew members of the 2,350-ton *Nissho Maru* killed when the freighter sank after a collision with the submarine *George Washington* in the East China Sea last April, a Japanese lawyer said.

The U.S. Navy has accepted liability for the accident, and the bereaved families and 13 surviving crew members had demanded about 430 million yen (\$1.87 million) in compensation and personal losses, the lawyer representing them, Tatsuo Soma, said. The owners of the freighter, General Cargo and Bunker Fuel, have separately claimed damages of 564 million yen (\$2.4 million) for the loss of the vessel.



WONDER GIRL: British wonder girl Ruth Lawrence, 10, waves the marks sheet after learning the result of her maths exam. She now has an A-level in pure maths with grade A pass. Ruth has never been to school. She is taught at home by her parents. Ruth plans to take five more A levels so that she can go to university in two years. She claims to become a teen-age professor of mathematics.

Implementation postponed Poles hike bread price

WARSAW, Aug. 21 (R) — The Polish government Friday stuck to its decision to quadruple the price of bread but postponed implementation of the increase by one week in the face of angry protests by the Solidarity independent trade union.

The government newspaper *Zycie Warszawy* said bread, cereal and flour prices would go up Monday with a basic 800 gram loaf rising from four to 16 zloty (11 to 45 U.S. cents). But a government spokesman said later that the new prices would not be introduced until the following Monday, Aug. 31, and explained the delay was for technical reasons. He said *Zycie Warszawy* had made a premature announcement.

First reports of the new prices in the press Thursday brought angry reaction from Solidarity which said it had not been given sufficient time to consult its 10 million members and which rejected a compensation system proposed by the government. The government spokesman said the compensation mechanism could be subject to further discussion.

Solidarity's Warsaw news bulletin said the government had suspended the price increases following talks with the union's food supply commission. "As a result of the talks, the decision about the price increases was suspended until both sides reach agreement," the union bulletin added. It said Solidarity's Warsaw news bulletin said the government had suspended the price increases following talks with the union's food supply commission.

Coalition backs Balsemao

LISBON, Aug. 21 (R) — An end to Portugal's drawn-out political crisis was in sight Friday, following a decision by outgoing Social Democrat (PSD) Prime Minister Francisco Pinto Balsemao to head a new center-right government.

Pinto Balsemao, 43, Thursday night accepted an invitation from his party's national council to form a new administration, after receiving guarantees of stronger support from the PSD and Christian Democrat (CDS) coalition partners. He resigned on Aug. 10 after only seven months in office in the face of mounting criticism from the PSD's right-wing and the conservative CDS.

A PSD delegation formally told President Antonio Ramalho Eanes of Pinto Balsemao's decision Friday. The president must formally name a new prime minister after consulting political parties represented in parliament and the military council of the revolution. Pinto Balsemao heads a coalition of Social

Weinberger holds talks with Nott in London

LONDON, Aug. 21 (Agencies) — U.S. Defense Secretary Caspar Weinberger had talks at the British Defense Ministry Friday during which he discussed matters of "mutual interest" U.S. and British officials said. But the officials would not disclose the agenda.

A ministry spokesman said only that the talks were on items of mutual interest before a meeting of the NATO alliance's council meeting in December and meetings of its defense and nuclear planning groups. The purpose of the talks was to renew contacts between Weinberger and British Defense Secretary John Nott after their meeting last month when Nott explained his proposals to reduce Britain's armed forces.

Topics at the new round of talks were expected to include President Reagan's decision, announced since the last meeting in Washington, to produce and stockpile Neutron warheads in the United States. Official spokesman denied a British newspaper report, however, that Weinberger's main aim was to obtain a British commitment to equip its forces in West Germany with the warhead.

"We had no advance knowledge that Weinberger was to raise the subject and the United States has not yet approached any NATO ally about it," a spokesman said. Defense sources said problems over the stationing of Cruise missiles in Europe had not yet been overcome and it was unlikely the United States would find the timing appropriate to suggest the possible introduction of neutron warheads.

Spokesmen also denied that the timing of the visit was connected with the clash between U.S. and Libyan aircraft on Wednesday when two Libyan planes were shot down. Weinberger indicated when he arrived in London Thursday that he considered the incident closed.

He told reporters, "we do not expect more trouble". The United States had completed its aerial exercises off Libya and none were planned for the near future, he added. Weinberger's talks at the Defense Ministry were the only engagement scheduled with British officials. The U.S. Embassy declined to give details of other plans for his three-day visit.

Meanwhile, *The Guardian* newspaper reported Friday that Weinberger is in London to ask the British government to equip artillery units of the British Army in West Germany with the neutron bomb. Weinberger made no reference to the neutron weapon in brief remarks to reporters.

The Guardian quoted unidentified "reports from the United States" that initial orders for the neutron bomb have been sent to the Pantex plant in a Texas desert area. It said that after meeting Prime Minister Margaret Thatcher in Washington last winter, Reagan is convinced that Britain is the "most hawkish" of his allies in the north Atlantic alliance.

"The Americans believe that the key to the deployment of the neutron bomb in Europe is a decision by one of the NATO allies to equip its own forces with the weapon, and Britain is the obvious choice," *The Guardian* said.

Good Morning

By Jihad Al Khazim

A company director I know insists that the real history of his "success" — as well as any success in the world of business — is as follows:

"You start as a very young man, working as a messenger. You tell yourself, 'All right, so my job is small, my salary minute and everyone else is higher than me. But I'll study at night, improve myself, work harder. Soon I'll be in accounts.'"

And things come to pass in exactly this way. Slowly but surely you rise to accounts, then, with hard work and luck you become head of accounts. So now you start to think, "I'm now exactly in the middle of the scale. Neither up nor down. This can't go on, I must move upward. And it can only be done by hard work."

This too comes in pass. The young man is no longer young. But he is now head of sales. Whereupon the thought strikes him: "Given my life in the company. My best years. On the board is where I belong, never mind if it was only as a junior director. And for this I need to work only a bit harder, show my metal, all then will be well."

So he gets into the board. A tired but happy man. But happy only for a while. For the thought comes back, "I've been through it all. Know this company inside out. The boss is all very well in matters of theory. The experience, the real hard knowledge, is mine. I must show them I can do the job and nobody else can."

So up he moves to the top of the pole, after years of "showing them." But now the thought comes, Nowhere higher to go. So look down:

And there you find the memory of the young hopeful. Meager salary but no responsibilities, plenty of opportunity to sit down and relax. Now you work for seven days a week, twenty-four hours a day. Plenty of money but neither the time nor the health to enjoy it. And four younger directors waiting in the wings for you to make the slightest mistake.

Translated from Ashraf Al-Awast

U.S. rejects plea for talks with PATCO

WASHINGTON, Aug. 21 (R) — President Ronald Reagan has turned down a request from the International Federation of Air Traffic Controllers that negotiations be resumed with striking U.S. controllers, the Transportation Department said.

The request was made a week ago by Harry Henschler, president of the federation which groups controllers from 59 countries, in a letter to Reagan on behalf of the federation's executive board. The board, meeting in Amsterdam, said it was suspending any decision on sanctions against U.S. flights at least until a meeting Saturday.

Transportation Secretary Drew Lewis, in a reply to Henschler on behalf of Reagan, said negotiations could not be resumed because the 12,000 members of the Professional Air Traffic Controllers Organization (PATCO) broke U.S. law by going on strike against the federal government.

"You have our assurance that the U.S. air system is being operated in a manner and at levels totally consistent with safety," Lewis said in his message to Henschler, which was made public by the department.

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